

Transparency in Political Financing in Maldives

CRINIS Research Project

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Office



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Male', Maldives 2011.

Foreword

Money is a necessary element for a functioning democratic system. Political parties and candidates need resources for building solid organizations and canvassing public support. Yet money in politics, without proper regulation and practices, can seriously undermine a democracy. Electoral processes can be unduly influenced when sizeable and undisclosed amounts of money are provided to political parties and candidates by organizations with their own political agendas. Political parties and candidates may distort the electoral process by resorting to buying votes rather than focusing on the quality of their campaign messages. The quality of governance is seriously compromised when decisions made by elected politicians benefit those who funded their ascent to power and not the broader public interest. Regulation of political financing, both during electoral and non-electoral periods, therefore is essential to a healthy democracy.

The single most important step towards regulating political finance and eliminating undue influence posed by money is proper disclosure of lawful financial reports. Without disclosure there is no way of determining how much money is circulating in the political system, where it comes from or to whom it is given. The ceiling on donations and spending cannot be enforced, nor can we prevent illicit money from finding its way into campaign coffers, without proper reporting and disclosure. Moreover, lack of transparent and accountable political financing mechanisms give rise to public suspicion that donors are buying favors from politicians, and undermines public confidence in clean and legitimate elections and political representation.

This research project was carried in the hope of analyzing political financing transparency in the Maldives and establishing a baseline that would indicate areas that need reform, both in the legal framework and practices. It is our hope that this study will also initiate dialogue and commentary on this critical issue of political financing and the dynamics between political financing, vested interests, and corruption will be widely discussed and examined in various public forums. We also hope that all stakeholders would find the conclusions and recommendations provided in this report to be beneficial. It is our aim to use this research to advocate for reforms in political financing practices and laws that would enable greater transparency and accountability.

Ilham Mohamed
Executive Director

Table of Contents

Acknowledgements	3
Foreword	4
Acronyms	6
Executive Summary	7
Introduction and Background to the Study	9
General Context on Political Financing	11
Methodology	15
Research Results: Overall Findings	21
Research Results: Analysis of the Ten Dimensions	23
Dimension 1: Internal book-keeping	24
Dimension 2: Reporting to the Elections Commission	27
Dimension 3: Scope of Reporting	29
Dimension 4: Depth of Reporting	33
Dimension 5: Reliability of Reporting	36
Dimension 6: Public Disclosure	37
Dimension 7: Preventive measures	41
Dimension 8: Sanctions	45
Dimension 9: State Oversight	48
Dimension 10: Non-state oversight	51
Conclusions and Recommendations	52

Acronyms

CSOs	Civil Society Organizations
EC	Elections Commission
MP	Member of the Parliament
NGOs	Non Governmental Organizations
TI	Transparency International
TM	Transparency Maldives

Executive Summary

The Crinis research uses both quantitative and qualitative research methods to assess various dimensions of political financing transparency and accountability, and is to be used as a benchmarking and advocacy tool for reforming the legal framework and practices associated with political financing. Specifically, ten, interdependent dimensions—such as the scope, disclosure, and depth of financial reporting—were assessed in this research as indicators of transparent political financing procedures.

This research shows that, overall, the legal framework scored higher than that of practices. Specifically, as far as the legal framework is concerned, none of the dimensions on political financing fell within the ‘Insufficient’ range and all of the dimensions received a score that fell within the ‘Average’ range for law. In evaluating practice however, many of the dimensions of political financing, scored within the ‘Insufficient’ range. Overall scores for both of these aspects of law and practice fell within the evaluation category of ‘Average’, indicating that there is much room for improvement of both the legal framework on political financing and political financing practices.

One of the key recommendations of this report is for the Elections Commission to provide a standardized financial reporting template for all mandatory financial reports, which have to be submitted to the Commission by political parties and electoral candidates, to improve the scope and depth of information submitted. Another key recommendation is for the Elections Commission, to proactively make available, all mandatory financial reports, that are submitted to the Commission by parties and candidates, to the public in an easily accessible manner, on a timely basis, so that voters can make informed decisions when casting their ballots.

The report also provides recommendations for improving the current legal framework on political financing. These include amending laws to mandate parties and candidates to submit official identification of donors and vendors and to mandate political parties to disclose annual audited accounting reports to the general public. It is also recommended that Non-State actors such as Civil Society Organizations partake in monitoring and overseeing political financing practices and to conduct awareness and advocacy programs on transparency and accountability in political financing.

Introduction and Background to the Study

Maldives is a unique country geographically, with its population of approximately 350,000 people spread among some 1200 coral reef-based islands, of which about 200 are inhabited. These islands form an archipelago that stretches 820 Kms from north to south, and 120 Kms from east to west. This geographical eccentricity has to some extent dictated the economic structure of the Maldives – which is heavily dependent on tourism and fishing – and it also, poses special challenges in terms of governance.

In recent years, the political sphere of Maldives has undergone significant changes with the decision to allow political parties by the People's Majlis (parliament). Following this decision, political parties started operating in June 2005 and since then have played an integral role in the political scene of Maldives. Moreover, the introduction of a new constitution in August 2008, led to the first-ever multi-party presidential election, held in October 2008, which was followed by a parliamentary election in May 2009; both elections were held under a very politically competitive environment.

However, it is often speculated that political parties do not function very transparently, in both electoral and non-electoral periods, and that their operation involves potential forms of corruption. This is not the case only in the Maldives. According to the Global Corruption Barometer 2010¹, published by Transparency International (TI), across the globe, the organization or institution believed to be the most corrupt are political parties. About 80 percent of participants in the study believed that political parties are corrupt or extremely corrupt, compared to other sectors or institutions such as Non-Governmental Organizations (NGOs), the Military and Media. Furthermore, the report also highlights that over the years (between 2004 and 2010), around the globe, there has been an increase in the number of people who perceive that political parties are the most corrupt institution in states.

A key reason for this perception is the general lack of transparency in political financing by political parties and electoral candidates during both electoral and non-electoral periods. Given that political parties receive both direct and indirect public subsidies and electoral candidates rely on the citizenry for support, it is vital that the public is aware of how and more importantly from where political parties and candidates receive their income, and how it is utilized. Transparency

1 Transparency International, Global Corruption Barometer 2010. For details please visit: http://www.transparency.org/policy_research/surveys_indices/gcb/2010

in political financing will allow people to make informed choices when becoming a member of a political party or when voting for an electoral candidate. It will also ensure that elected officials and parties are accountable for their finances and aid in monitoring their integrity.

In 2006 and 2007, TI successfully piloted the Crinis project, a research, benchmarking, and advocacy tool, in eight Latin American countries. ‘Crisis’ is a Latin word meaning ‘ray of light’. The project assessed levels of transparency and accountability in political party and election finances looking at laws and practices in the participating countries. Following its success on the diagnostic work on political finance in Latin America, the Crinis Pilot Project in Asia Pacific was launched to explore the possibility of replicating the same in the region. The Asia Pacific Project was first implemented in Bangladesh, Indonesia and Nepal.

In the Maldives, although, much public discourse goes on about politics and political parties, there is hardly any discussion around the specific topic of political financing. This maybe due to the fact that multi-party political system is a relatively new phenomenon in the Maldives. and the discourse around the topic has not had enough time to reach the level of maturity needed to address specific governance issues, such as political financing. The first political parties, in the recent past, were formed in 2005 and the first ever multi-party election took place only in 2008, as mentioned earlier. The legal framework on political parties and elections was also established around the same time, with most of the legislation passed hastily just prior to the presidential elections of 2008. Similarly, an independent Elections Commission (EC), the main state institution that oversees political parties and elections, was established only in 2008. Given the infancy of the governance structure, there are various shortcomings in both the legislative framework and practices associated with political financing.

The findings of this study will be used for the purpose of advocating for the reform of the legislative framework and practices to facilitate and enforce sound and transparent procedures of political financing. Transparency Maldives (TM) hopes to work in collaboration with the People’s Majlis and the Elections Commission in order to make sufficient amendments to the current legislative framework on political party financing in the Maldives to improve the Political Parties Bill of the Maldives, which is currently at the committee stage in the Majlis. TM also hopes to do advocacy work for political parties and the EC on ways of fostering more transparency in their functions, specifically with regards to political financing practices.

General Context on Political Financing

The newly adopted constitution of the Maldives ensures separation of state powers and the electing of the legislature and president through popular vote. As mentioned earlier, the legal framework on elections, political parties and political financing in general, was initiated very recently in 2008, just ahead of the first multi-party presidential elections in the country. The following set of key laws and regulations govern the political financing of parties – both during electoral and non-electoral times, and that of electoral candidates.

1. Regulation on Political Parties 2005 (enacted under the General Regulations Act (Law No: 6/2008))
2. Elections Commission Act (Law No: 8/2008)
3. Regulation of the Elections Commission 2010 (enacted under the Elections Commission Act 2008)
4. Elections (General) Act (Law No: 11/2008)
5. Presidential Elections Act (Law No: 12/2008)
6. Regulation on Presidential Elections 2008 (enacted under the Presidential Elections Act 2008)
7. Parliamentary Elections Act (Law No: 2/2009)
8. Regulation of the People's Majlis 2006 (enacted under Article 63 of the Constitution).

These laws and regulations cover various dimensions of political financing and some of the key aspects of this legal framework include:

Documentation of income and expenses

1. Every political party is required to appoint a treasurer to maintain its books of account of all income and expenditure.² All political parties are required to prepare and maintain detailed income and expenditure, including details of income and assets, how and from where they were obtained, and details of all expenditure.³ The Elections Commission is empowered to check reports of income and expenditure of parties at any time.⁴

² Regulation on Political Parties 2005, Section 27.

³ Regulation on Political Parties 2005, Section 28(a), (b).

⁴ Regulation on Political Parties 2005, Section 28(c).

Candidates competing in elections are required to appoint an official election agent, who is required to maintain books of account of all income and expenditure of that candidate.⁵

Limits on Income & Expenses

1. Political Parties are permitted to procure finance for their activities through subsidies by Government, and from private actors.⁶ Under the Regulation on Political Parties 2005, a total of 0.1-0.2% of the state budget for each year should be allocated to registered political parties.⁷ The Elections Commission is mandated to distribute 40% of this amount equally among all political parties registered at the time of distribution, and 60% to be distributed pro rata according to the size of membership of the parties.⁸ Apart from this limit on public subsidy, there is no legal limitation prescribed for financing by political parties.
2. Political parties are free to obtain income from private parties, including through membership fees, monies and assets from donations, money received from fund raising activities, money received through commercialization of party assets, and by loan financing.⁹
3. The Regulation on Political Parties 2005 and the Elections (General) Act 2008 prohibits procurement of monies or assets through certain sources. These include income from foreign citizens, governments, organizations and associations, international organizations, anonymous sources, state institutions or companies with state share holding, and cooperative societies.¹⁰ Moreover, this Regulation prohibits any use of force or intimidation, or the use of undue influence including special privileges or immunities to certain persons, in the procurement of finance.¹¹
4. The Elections (General) Act (Law No: 11/2008), which govern the general rules and procedures of all elections, imposes a campaign spending limit of Maldivian Rufiyaa (MVR)

5 Elections (General) Act 2008, Section 72.

6 Regulation on Political Parties 2005, Section 21.

7 Regulation on Political Parties 2005, Section 22.

8 Regulation on Political Parties 2005, Section 23.

9 Regulation on Political Parties 2005, Section 24.

10 Regulation on Political Parties 2005, Section 25; Elections (General) Act 2008, Section 70.

11 Regulation on Political Parties 2005, Section 26.

1500 per every eligible voter from the constituency of the candidate.¹² Candidates may receive both monetary and in-kind assistance as loans, as far as they do not come from any of the prohibited sources. The contributions given by an individual to a candidate for election expenses should not exceed by more than 0.5% of the campaign spending limit¹³ and the contributions given by a legal entity to the candidate for election expenses should not exceed by more than 2% of the campaign spending limit¹⁴.

Reporting to State Body

5. Political Parties are required to submit to the Elections Commission within 90 days at the end of each year, an audit report detailing all income and assets received, with details of how and from where they were obtained, and details of all expenditure and purposes of all such expenditure.¹⁵
6. All candidates standing elections are required to submit to the Elections Commission, within 30 days of the election, a financial report, detailing all expenditure and income, along with bank statements, receipts, invoices, and bills.¹⁶

Public Disclosure

1. The right to information is established in the Constitution.¹⁷ A Regulation on the Right to Information from State Institutions, enacted under the General Regulations Act governs the rules and procedure on application and obtaining of official information kept by State institutions made available to the public.

12 Elections (General) Act 2008, Section 69.

13 Ibid

14 Elections (General) Act 2008, Section 72.

15 Regulation on Political Parties 2005, Section 29.

16 Elections (General) Act 2008, Section 73. The Presidential Elections Act 2008, however, prescribed a time limit of 60 days from the election, for the submission of audit report under this Act (Section 16).

17 Constitution of the Republic of Maldives, Article 29.

2. The Elections (General) Act provides for the Elections Commission to ensure candidates' financial reports to be made available to the public.¹⁸ Similarly, the Presidential Elections Act 2008 stipulates that the Elections Commission should ensure financial reports submitted by presidential candidates to be made available for public scrutiny.¹⁹
3. There are no legal provisions that require publishing of annual financial reports of political parties, but parties are required to disclose the information to the Elections Commission and members of the respective political party have the right to all information with regards to party income and expenditure.²⁰

Sanctions for offences

1. The legal regime on the political financing provides for sanctions for both failure of submission of financial reports, as well as for breach on the prohibited sources of financing. The Regulation on Political Parties 2005 provides fines ranging from MVR 20,000 to MVR 50,000 where a party fails to submit its financial records in due time.²¹
2. Where a party is found to be in breach of procuring finance through prohibited sources, the Regulation on Political Parties 2005 provides for fines amounting to twice the value of monies or assets procured.²² The Elections (General) Act provides for fines ranging from MVR 6,000 to MVR 24,000 and imprisonment for up to 2 years where a candidate is found to be in breach of the provisions of the Act, including failure to submit financial reports and breach on limits of procurement of finance as well as limits on campaign spending.²³

18 Elections (General) Act 2008, Section 73(d).

19 Presidential Elections Act 2008, Section 16.

20 Regulation on Political Parties 2005, Sections 29, 30.

21 Regulation on Political Parties 2005, Section 31(b).

22 Regulation on Political Parties 2005, Section 31(a).

23 Elections (General) Act 2008, Section 75.

Methodology

Data Sources

This study utilized both primary and secondary sources for collecting data. For an assessment of the legislative framework, official copies of relevant laws and regulations were used, and to analyze the practices regarding political financing, various stakeholders were selected to participate in the research. This included, ten political parties, selected based on the size of their membership (Appendix A), and their accountants/treasurers. Fifteen Members of the Parliament, representative of all five political parties and independent members, were also surveyed for the research (Appendix B). Financial reports of all of the six presidential candidates (Appendix C) who ran for the 2008 elections were also evaluated. The Elections Commission, as the major overseeing body, provided access to some of the primary sources such as candidate and party accounting reports. Various donors (Appendix D), media companies and experts were also contacted for information. Moreover, 14 people were contacted, including students and a journalist, to participate in the citizen experiment, which assessed the degree of access to information related to political financing by average citizens.

Data Collection Methods

Stakeholders, including the Elections Commission, party accountants, donors and electoral candidates who ran for parliamentary elections were personally interviewed and given survey questionnaires. Media companies, donors and parties were primarily contacted through letters, requesting for information such as accounting reports and details of airtime given or sold to parties and electoral candidates. In the citizen experiment, mentioned above, participants were given a list of specific information related to political financing which they were required to obtain from stakeholders using different mediums of communication including letters, emails and telephone. The collected data was then uploaded to web-based questionnaires (generated by Transparency International), by the research team or in some cases by the participants themselves. Table 1 summarizes the type of information collected, the source of information and the data collection method.

Table 1: Type and Sources of Information

Type of Information	Sources of Information	Data Collection Method
Legal Framework	Relevant laws and regulations	Law review
Practice by parties on financial issues	Party reports, official records and public information	Team analysis, complemented with interviews of party accountants and experts
Disclosure of Information	Testing availability of information from various stakeholders	Written requests for information
Electoral campaign expenditures of parties and candidates	Party and candidate reports provided by EC	Accounting report reviews
Practice on political finance	Parties, donors, MPs, EC, CSOs, experts	Survey interviews

Data Analysis: Dimensions used to assess the Level of Transparency & Accountability of Political Finance.

The Crinis Project recognizes three different types of political financing:

1. Non-electoral party finances whereby resources are mobilized to support the party structure and its activities in non-election periods;
2. Party finances during election campaigns whereby resources are mobilized to communicate with voters and to conduct other campaign related activities; and
3. Candidate finances (separately from their parties) in election periods, taking into account that individual candidates often raise and manage substantial sums of campaign resources.

Crinis involves scrutinizing the regulatory framework, comparing it to internationally recognized standards, and comparing the regulatory framework against what happens in practice to identify gaps between law and practice. The collected data, once fed into the Crinis tool, provides empirical values, which coupled with the in-depth analysis of the legal framework will identify specific areas that need reform.

The level of transparency of political finance activity has been quantified taking into consideration

the following ten dimensions (Table 2).

Table 2: Ten Dimensions of Transparency in Political Finance

Dimensions	Sample Questions for Building Indicators
Internal book-keeping of parties	Is book-keeping mandatory by law? How professional is staff in practice?
Reporting to control agency (Elections Commission)	By law, do parties, candidates, service providers and media render accounts on their role in political finance? When and in what format?
Comprehensiveness or scope of reporting	Do reports include public and private sources? Do they cover income and expenses? Do they comprehend monetary contributions, in kind contributions, rebates etc?
Depth of reporting	By law, do reports include information on individual donations? Do they clearly identify the donor of each donation?
Reliability of Reporting	Do different actors disclose all resources in reports? How accurate are reports, to the knowledge of experts?
Disclosure to the public	Is it mandatory for state agencies/parties/candidates to disclose information on political finance? In practice, how accessible is such information to experts, journalists and ordinary citizen?
Preventive measures	Are donations channeled exclusively through official bank accounts? Are there any loopholes for anonymous donations?
Sanctions	What are the existing sanctions-civil, criminal and political – according to the law? In practice, are the existing laws strictly enforced?
State oversight (Elections Commission)	Do experts evaluate institutions of state oversight as independent? Are they evaluated as efficient? From the perspective of self-evaluations, do they lack human resources? Do they lack training?
Non-State Oversight	Do Civil Society Organizations monitoring political finance exist? In which areas of political finance do they develop activities? Do experts evaluate organizations of public oversight as independent?

Crisis tool allows quantifying the transparency of political finance activity by using ten dimensions. **Internal bookkeeping** (dimension 1) ties in to the way in which political parties internally manage their financial resources. **Reporting to the electoral management body** (dimension 2) evaluates the extent to which parties or candidates report to a government oversight body. **Disclosure of information to the citizens** (dimension 6) takes a look at the public's access to political finance information. Three dimensions – **comprehensiveness of reporting** (dimension 3), **depth of reporting** (dimension 4) and **reliability of reporting** (dimension 5) – center around the nature of data furnished in the financial reports and help to determine the quality of the data submitted to the electoral bodies. These evaluate crucial areas like all relevant finance activity, including cash, in-kind and other transactions, identity of the donor, credibility of submitted data and the perception of credibility of reports by key actors. A third group of dimensions encompassing **prevention** (dimension 7), **sanctions** (dimension 8) and **state oversight** (dimension 9) addresses monitoring compliance with established rules and regulations. This includes preventive measures to facilitate effective oversight, the existence of sanctions that can be imposed and the institutions and actors in charge of performing oversight functions. Finally **civil society oversight** (dimension 10) addresses monitoring and oversight role of the civil society irrespective of the formal state control body with regard to political financing issues.

The Crisis questionnaire consists of roughly 440 questions, some of them with several possible answers and others with only one possible answer. These questions are grouped together into roughly 50 different indicators, which are then summarized to the 10 dimensions mentioned above. The scale for each dimension ranges from 0 to 10, where 10 indicates that a country has met all criteria expected in terms of transparency and accountability and 0 indicates that none of these criteria has been met. Scores between 0 and 10 are grouped into three evaluation categories: insufficient (0 to 3.3), average (3.4 to 6.7) and good (6.8 to 10). Please see Appendix E to see the explanatory note on calculating the final Crisis scores for further information on data analysis.

Limitations of the Study

There are several limitations to this study, including challenges that the research team faced. First is the non-existence of any previous studies, assessments, or research findings in the area of political financing. This meant that the research team did not have any secondary data to rely

on, and adding to this is the lack of media reports on this topic. Very little has been reported in the mainstream media on issues of political financing.

Second is the lack of independent expertise in the area of political financing in Maldives. At the time of writing this report, there are no civil society organizations, academics, journalists or concerned citizens carrying out the watchdog function specifically in political financing. The only expertise in this area is associated with the current political financing system, either as political party affiliates or as part of the Elections Commission. There are no independent third party experts in the field. This is also evidenced in the low score of the dimension of non-state oversight, the lowest among all dimensions. This lack of expertise would have been reflected in some of the scores given by some interviewees. It is important for this reason that one relies not only on the scores but also the narrative analysis following each dimension. The scores are indicative assessments and should not be taken as indisputable judgments. The narratives provide a more concrete evidence-based analysis.

Third is the difficulty in obtaining information from different stakeholders, especially the private sector, general citizens, television stations, and legislators. This could perhaps be explained by the fact that research, in general, is rather a novel activity in the Maldives-especially in areas of governance-and many people do not understand the purpose or value of research. As a result such attempts are usually viewed with an eye of suspicion. Adding to this is the general mistrust towards NGOs, especially NGOs working in the area of governance.

Lastly, the infancy of the multi-party political system in the Maldives, and more specifically the infancy of the electoral system, also lead to limitations and challenges in carrying out this research. Political parties, in the recent history, gained formal recognition only in 2005. During the period under review, there have only been two multi-party elections, a third election was conducted whilst the research was still ongoing. As a result, a lot of the legal provisions have not been put to test under the court system. Hence, there was a lack of legal directives, court orders or legal precedents related to political financing, resulting in a lack of material for reference.

Despite all this it is imperative to have conducted this study, at this point in time, to capture the landscape of political financing system, as it is now. This study hopes to be the starting point for any future studies on the political financing system of the Maldives and would hopefully act as an accurate baseline to which the situation can be compared to, in the future.

Scope

The research for this report was carried out during a six-month period that lasted from November 2010 till April 2011; therefore all the information included in this report is accurate as of that time. For example, given the volatile political atmosphere and the prevalence of parliamentarians changing their political party affiliations, it is possible that some of the MPs who were surveyed for the research do not currently belong to the same parties as they did during the research period.

This research, as mentioned above, only analyzed the financial reporting of ten political parties and they were chosen based on party membership. One of the selected parties was only registered in January 2010 and therefore only data from nine parties were used.

For the purpose of this study, the year 2008 was chosen as both the non-electoral year for political party financing and for presidential election finances. The reason why the same year was chosen to assess both non-electoral finances and finances during electoral periods was because, legally, political parties do not have to report on electoral campaigning finances exclusively and only electoral candidates are required to submit accounting reports after elections. This means, as far as political parties finances are concerned, year 2008 can be considered a non-electoral year. For the parliamentary election finances, the research was limited to the year 2009.

Research Results: Overall Findings

In comparing the ten dimensions of transparency of political financing in Maldives (table 3), this study found that ‘Non-State Oversight (dimension 10) received the worst score (1.2), meaning that public oversight is minimal and insufficient when it comes to issues of political financing. The other dimension that falls within the ‘Insufficient’ range is the dimension on ‘Sanctions’, which scored 2.5. Partly, this can be attributed to legal ambiguities with regards to sanctions for non-compliance on political financing activities, on top of lack of enforcement of regulations in general.

Of the ten dimensions, scores on ‘State Oversight’, ‘Prevention’, ‘Disclosure’, ‘Reliability’, ‘Depth’, ‘Scope’ & ‘Reporting’, were on the average category (3.4-6.7). This explains the reason for the total score of 4.6, for the overall Crinis index for the country. The only dimension that scored in the good category (6.8-10), aggregated of both law and practice, is that on ‘Book-keeping’ (6.8).

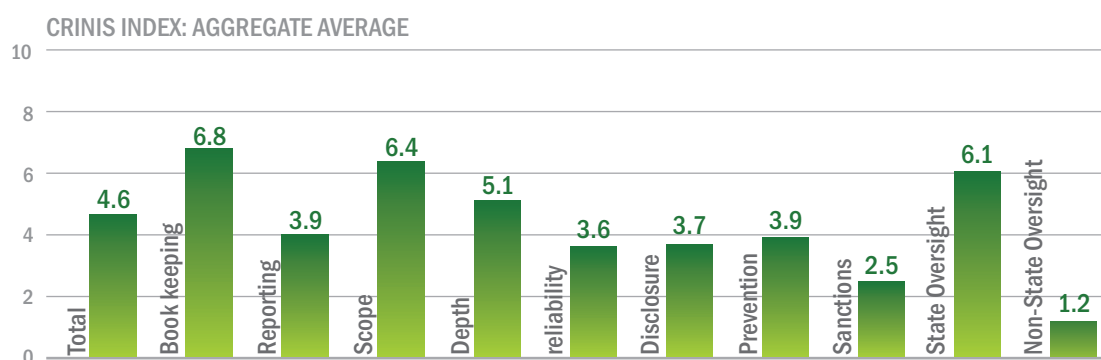


Table 3: Crinis Index: Aggregated Averages

Comparison of the legal framework and practices on political financing in the Maldives (see table 4, below) shows that overall the legal framework scored more (5.1), than that of practices (4.1). As far as the legislative framework is concerned, none of the ten dimensions on political financing fell within the ‘Insufficient’ range and all of the dimensions received a score that fell within the ‘Average’

range for law.²⁴ In evaluating practice, many of the dimensions of political financing, such as ‘Reporting’, ‘Disclosure’, ‘Prevention’, ‘Sanctions’ and ‘Non-State Oversight’ scored within the ‘Insufficient’ range, whereas some dimensions such as ‘Book-Keeping’ and ‘Scope’ scored quite high and fell within the ‘Good’ range. However, overall scores for both of these aspects of law and practice fell within the evaluation category of ‘Average’, indicating that there is much room for improvement of both the legal framework on political financing and political financing practices.

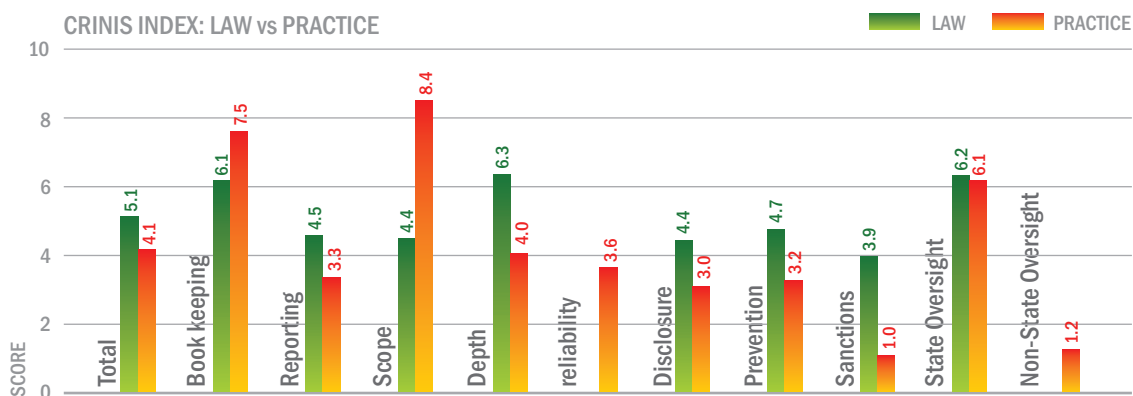


Table 4: Crinis Index: Law vs. Practice

24 Please note there is no law score for the dimension on ‘Reliability’ since this is a perception based dimension and also none on ‘Non-State Oversight’, since there is no legal framework on non-state oversight of political financing in the Maldives.

Research Results: Analysis of the Ten Dimensions

Levels of Transparency

The ten dimensions of transparency in political financing that are measured in this study are interdependent. For example, the public's access to financial reports (dimension 6) depends on whether political actors submit reports to a state oversight agency (dimension 2). Such disclosure, in turn, is nearly impossible to obtain if parties lack an internal book-keeping system (dimension 1). As such, transparent political financing is not guaranteed even if the proper operation of one or two of these dimensions is confirmed in practice. On the contrary, all dimensions must score well on the whole.

1

Dimension 1: Internal book-keeping

The first stage of reporting by parties or candidates in both non-electoral periods and during campaign or election periods is internal book keeping. Legal obligations in the area of book-keeping and the political culture of the parties are factors that can influence this task. For parties to comply with legal regulations and uphold their own values and principles, it is essential for them to have a functioning administration with the necessary expertise.

In this study, the internal book keeping of parties was measured with five indicators. These include whether parties keep books on income and expenses, whether they disclose this information to party members, the standard of book-keeping followed, who signs the books and reports, and lastly whether financial records are kept for a prescribed length of time.

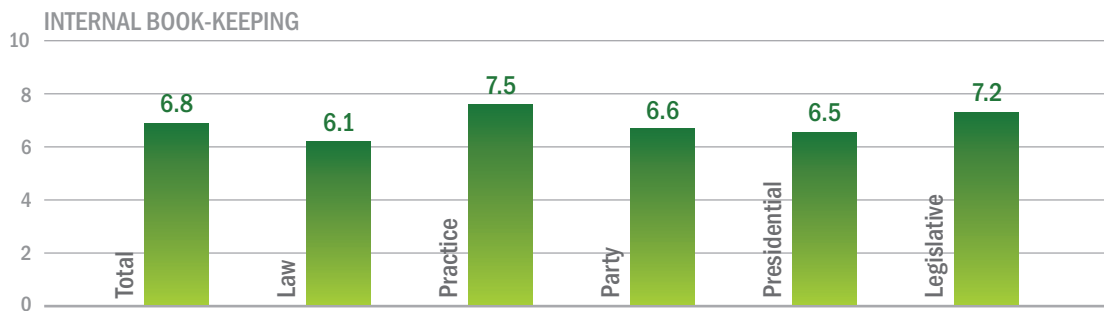


Table 5: Scores for Dimension 1, Internal Book-Keeping

The Regulation on Political Parties 2005, which governs the conduct of political parties, requires all political parties to maintain books of account on all income and expenses.²⁵ The Regulation also requires parties to appoint a specific person to carry out this function.²⁶ The research team was able to verify that nine out of the ten parties selected for the research kept records of their finances, of the year 2008.²⁷ As parties are required to submit annual financial reports to the

25 Regulation on Political Parties 2005. Section 28 (a): Every party shall maintain books of account on all income received and all expenditure incurred.

26 Regulation on Political Parties 2005. Section 27: Every party shall appoint a person responsible for the party’s finances and the person shall be responsible for the following:
 1. Maintaining books of account for all income and assets received; and
 2. Maintaining books of account for all expenses incurred.

27 The remaining party, Dhivehi Qaumeey Party (DQP) was registered in January, 2009.

Elections Commission, parties would, in practice, have to update their books at least annually. It is assumed, for parties to be able to submit an accurate report, that they would update their books on a more frequent basis. One of the parties, selected for the research indicated that they update their books on a quarterly basis, another on a monthly basis and another on a bimonthly basis. Legally, party members have the right to access financial records and information from their respective parties.²⁸

The law does not require party accounting reports to be signed by a certified accountant or an external auditor. However most parties have their accounts audited by an external auditor. Of the nine parties that were functioning in the year 2008, eight parties had their accounts audited by an external audit firm and these reports were submitted to the Elections Commission. The law does not require party accounting reports to be signed by a senior member of the party, let alone a member of the party. However, in practice, most parties had their accounting reports signed by a senior member of the party, when they were submitted to the EC.

There are no legal provisions prescribing the length of time for which records should be kept. Most parties have indicated that they save and keep a copy of their accounting reports. The research team is unable to verify the validity of this claim as only two parties disclosed a copy of their audited reports, for the year 2008, to the research team. The Elections Commission maintains copies of the audit reports submitted by parties, on file.

The Elections (General) Act (Law No: 11/2008) requires all electoral candidates to maintain books of account of their campaign income and expenses.²⁹ The Act also requires the candidates and their official electoral agents to sign a declaration confirming the validity of the accounting

28 Regulation on Political Parties 2005.
Section 30: All party members have the right to know income and expenditure (information) of their parties.

29 Elections (General) Act 2008
Section 73
(a): All candidates, within 30 days of the Election Day, shall submit to the Elections Commission a financial report which includes the following information.

1. Expenses incurred by the Candidate in relation to the election.
2. Details, separately, of the expenses incurred during the electoral campaign.
3. Details of the manner in which contributions were procured for election expenses.

reports.³⁰ No legal provision exists that require candidates to have their accounts audited by an external auditor, and in practice, only one out of the six presidential candidates had their accounts audited by an external auditor. All of the fifteen legislative candidates' reports scrutinized for the purpose of the research had their reports signed by the candidate. The Act also does not require candidates to keep a copy of their accounting reports on file.

The research team requested four legislative candidates, who ran for the Parliamentary Election of 2009, to share a copy of their campaign accounting reports, however none of the candidates shared their reports with the team. Two candidates indicated that they did not have the reports with them and that they needed to get a copy from the Elections Commission. As with parties, the Elections Commission keeps accounting reports of electoral candidates on file. Electoral candidates are not required to disclose their financial reports to the public; the onus of making this information available to the public lies with the Elections Commission.³¹

The fact that most political parties reviewed under this research, without any legal obligation, externally audited their financial reports and a senior member of the party signed the accounting reports explain why the score for practice is higher than the score on law (see table 5, above).

30 Elections (General) Act 2008
Section 73

(c): As proof that the information and materials submitted pursuant to *subsection (b)* are a true account of the transactions, receipts, invoices, bills and other such documents pertaining to transactions shall be submitted along with the information submitted pursuant to *subsection (b)*.

31 Elections (General) Act 2008
Section 73

(d): The Elections Commission should make arrangements for the public to be able to inspect the information and materials furnished pursuant to *subsection (a)*.

Dimension 2: Reporting to the Elections Commission

For this dimension, the study focused on five indicators that covered both the legal framework and reporting practices of political parties and electoral candidates to the Elections Commission. These indicators included questions regarding whether parties and candidates must render accounts to a state agency, whether donors, vendors and media companies are required to report, whether there is a specific format for disclosing information and how often reporting is required.

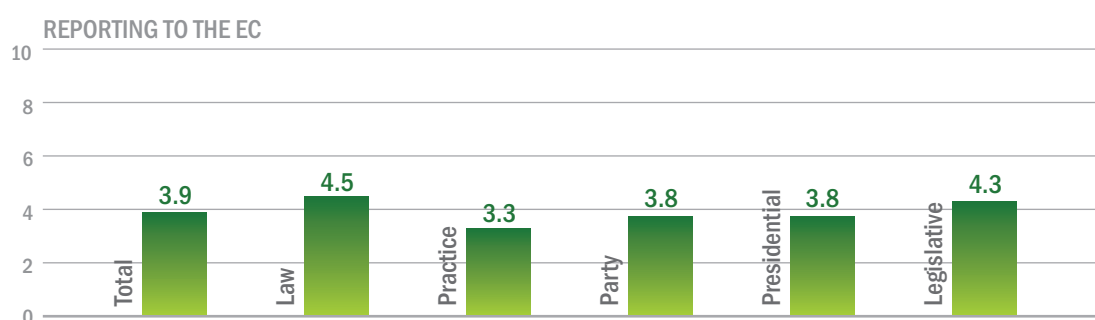


Table 6: Scores for Dimension 2, Reporting to the Elections Commission

By law, political parties are required to render their financial accounting reports to the Elections Commission on an annual basis.³² Parties are not required to submit their financial reports to any other state or government agency. Though the law does not mandate parties to report accounts in a standardized format, parties are required to include in their reports the details of funds and assets received, the sources of these funds and assets, how these funds and assets were procured, the amount of money spent, how it was spent and the purpose for which it was spent.

In practice, parties do not specify separate sources and amounts of funding. In most cases, the absence of the standardized reporting format also leads to inconsistencies on the information provided by parties.

32 Regulation on Political Parties 2005

Section 29: Within 90 days of the end of the Gregorian Calendar the party must submit an audited report, including the details of funds and assets received, the source of these funds and assets, how these funds and assets were received, the amount of money spent, how it was spent and the purpose for which it was spent.

The Elections (General) Act requires electoral candidates to file an accounting report with the Elections Commission within 30 days of the election.³³ The law requires presidential candidates to report to the Elections Commission within 60 days of the Election.³⁴ However, the law is vague on the information required for submission and leaves much for interpretation. In practice, presidential candidates used different formats to submit the reports; however, for the Parliamentary Election of 2009, Elections Commission provided a standardized format for all legislative candidates to submit their financial reports.

There is no legal provision that mandates vendors, donors and media companies to report to the Elections Commission.

33 Elections (General) Act 2008
Section 73

(a): A report relating to the financial matters of the election of the candidate, including the matters specified below, should be prepared and submitted to the Elections Commission within thirty (30) days from the date of the election.

34 The Presidential Elections Act 2008

Section 16: All the financial transactions carried out by the candidate in relation to the election shall be audited by the official elections auditor of the candidate and the audit report shall be submitted through the official elections agent of the candidate to the Elections Commission within not more than sixty (60) days after the date of the election. The Elections Commission shall make arrangements to maintain a system to make available for public inspection the Audit reports submitted in this manner.

Dimension 3: Scope of Reporting

Scope of reporting, the third dimension, looks into two main indicators: what types of funding sources are included in the reports (e.g, donations and public subsidies) and what expenses are included in the reports (e.g, expenses from private donations and expenses from public subsidies).

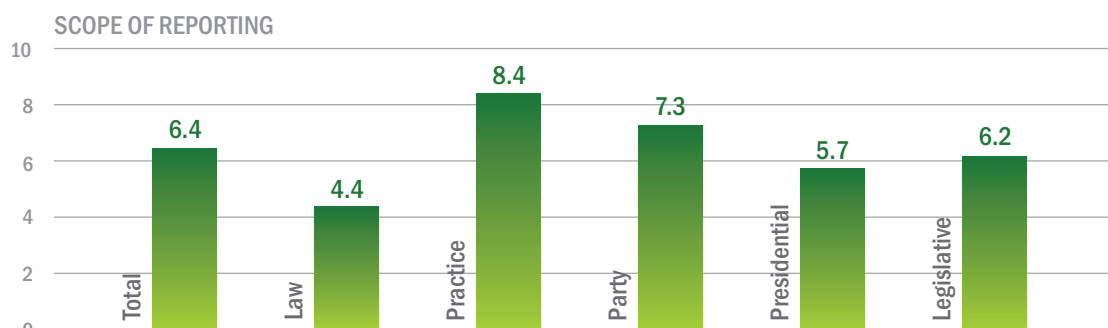


Table 7: Scores for Dimension 3, Scope of Reporting

By law, political parties can obtain funding from membership fees, donations, fund raising activities, and commercialization of party assets and from loans.³⁵ Furthermore, parties are entitled to receive public subsidies; 0.1 – 0.2% of the state budget is allocated for political parties.³⁶ The law does not allow parties to accept funds from foreign citizens, foreign governments and agencies, international organizations, state institutions, companies with state shares and from anonymous sources.³⁷

35 Regulations on Political Parties 2005

Section 24: Private parties shall give money and assets to political parties in the following manner and for the following purposes.

1. Fee that has to be paid for becoming a member of a party.
2. Money and assets donated to the party, as gifts, from party supporters.
3. Money from profit earning activities conducted by the party.
4. Money earned from the commercial use of party resources.
5. Loans.

36 Regulations on Political Parties 2005

Section 22: The money given to Political Parties shall be allotted for in the annual national budget and the allotted amount shall be in between 0.1% - 0.2% of the total budget.

37 Regulation on Political Parties 2005

Section 25: This regulation does not allow parties to accept money and assets from the following sources.

1. Money and assets from foreigners, foreign governments, foreign organizations, foreign institutions and aid from foreign sources.
2. Money and assets given as aid from foreign organizations.
3. Money and assets from sources who want to remain anonymous.
4. Money and assets from Government businesses.

Presidential and parliamentary candidates do not receive any public subsidies and like political parties they are not allowed to accept funding from foreign citizens, foreign governments and agencies, international organizations, state institutions, companies with state shares and from anonymous sources.³⁸ Furthermore, the Elections (General) Act imposes a spending limit of MVR 1500, per every eligible voter from the respective constituency.³⁹ The Act also specifies that a donation from an individual should not exceed 0.5% of the amount allowed for the respective constituency, and that a donation from any legal entity should not exceed 2% of the total spending limit allowed for that constituency.⁴⁰

Reporting on income: By law, parties are required to report details of donations and assets received, how and where the money and assets were procured, and information of all financial expenditures in their reports.⁴¹ However, for this provision to take full effect, the Elections Commission needs to provide a standardized format for parties to report on, laying out the minimum level of transparency required when reporting on income.

Looking at the party accounting reports, it is not possible to verify the sources of income as they only provide a lump sum amount of donations received, without giving a breakdown.

38 Elections (General) Act 2008

Section 70: A candidate or even an individual on behalf of the candidate should not accept contributions given by the following persons for election expenses.

1. Contributions given by foreigners, foreign individuals and foreign associations.
2. Contributions given by foreign organizations and foreign governments.
3. Contributions given by international organizations.
4. Contributions given anonymously.
5. Contributions given by a government authority other than the contributions made available to political parties through the government.
6. Contributions given by a quango or a company in which the government is a shareholder

39 Elections (General) Act 2008

Section 69: In relation to an election, a candidate should only spend an amount not more than the equivalent of a total amount of money calculated on the basis of 1500 (one thousand five hundred) Rufiyaa per each eligible elector from the electoral constituency for which he is standing for elections.

40 Elections (General) Act 2008

Section 72 (b): The contributions given by an individual to a candidate for election expenses should not exceed by more than zero point five (0.5%) percent of the amount specified in section 69 of this Act. The contributions given by a legal entity to the candidate for election expenses, should not exceed by more than two (2%) percent of the amount specified in section 69 of this Act.

41 Regulation on Political Parties 2005

Section 29: Within 90 days of the end of each year every party must submit an audited report, including the details of funds and assets received, the source of these funds and assets, how these funds and assets were received, the amount of money spent, how it was spent and the purpose for which it was spent.

More specifically, in practice, nine out of the ten parties selected for the research provided only the total amount of income received, though they have indicated that they keep records of individual monetary donations, contributions from office holders, money from fund raising activities, loans and private donations in kind. It could be that parties do keep records of this but do not report this information to the Elections Commission.

The Elections (General) Act stipulates that financial reports of electoral candidates' include details of how the candidate funded the campaign, details of whom contributed both monetary and in-kind support and how much each person contributed.⁴² The reports of presidential candidates are found to be inconsistent, as they do not follow a standard format when reporting. For example, out of the six presidential candidates, who ran for the 2008 elections, only four provided names of their donors. Furthermore, one of the candidates did not provide an income sheet, another candidate only provided a breakdown of in-kind support received, and one candidate only provided the total amount of income, without providing the sources.

For the parliamentary elections of 2009, legislative candidates were provided a standardized format by the Elections Commission to report on income and expenses, and all candidates, selected for this research, used this format to report to the Commission. The format requires candidates to report the name of individual donors and the date on which each donation was made. An improvement that can be made on this format would be to add a separate field to include the official identification of donors, whether it be the national identity card number or passport number in the case of individuals, and business registration numbers in the case of companies.

Reporting on expenses: The law requires parties to report the expenditures from all income sources

42 Elections (General) Act 2008

Section 73 (a): A report relating to the financial matters of the election of the candidate, including the matters specified below, should be prepared and submitted to the Elections Commission within thirty (30) days from the date of the election.

1. Expenses incurred by the Candidate in relation to the election.
2. Details, separately, of the expenses incurred during the electoral campaign.
3. Details of the manner in which contributions were procured for election expenses.
4. Details of persons and amounts contributed by them for election expenses.
5. A bank account statement which shows all the transactions carried out from the elections account opened pursuant to section 67 of this Act.

(public subsidies and private donations).⁴³ In practice, all parties provided expense reports, though in different formats. All parties gave bulk amounts of expenses falling under various themes: ‘repair and maintenance’, ‘salaries’, ‘office setup’, ‘cleaning expenses’ and ‘water expense’ are among the most widely cited themes. Some of the more exceptional themes include items such as ‘social activities’, ‘religious awareness’ and ‘entertainment’. As electoral candidates do not receive public subsidies they only report expenses incurred from private sources.

43 Regulation on Political Parties 2005

Section 29: Within 90 days of the end of each year every party must submit an audited report, including the details of funds and assets received, the source of these funds and assets, how these funds and assets were received, the amount of money spent, how it was spent and the purpose for which it was spent.

Dimension 4: Depth of Reporting

The detail or depth of information provided in financial reports is just as important as the scope of reporting for their comprehensiveness. The usefulness of financial reports depends largely on the specificity of the information included in the data. Therefore, reports should identify each donor and the date and amount of each donation, and similarly itemize expenditures. In fact, civil society organizations, voters and electoral management bodies can only make proper use of the data if the reports contain disaggregated information. This information allows them to examine the veracity of the information provided, identify candidates who depend excessively on a few selected donors, depict the margin of undue influence on public affairs and even monitor future representatives for any potential action that may benefit their campaign donors. This dimension was measured by aggregating multiple indicators such as how detailed income and expenses reports are; for example, whether reports on income include the date of donation and if there is a threshold for disclosure of income in financial reports.

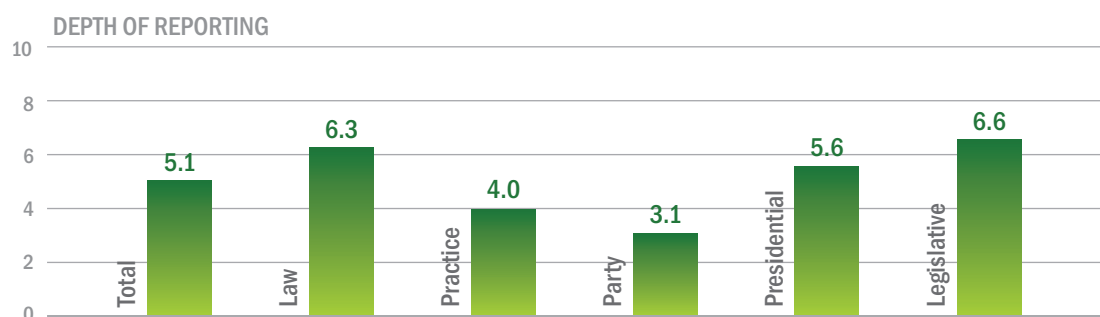


Table 8: Scores for Dimension 4, Depth of Reporting

The law requires parties to include in the reports that they submit to the Elections Commission, the value of all money and assets, how and where the money and assets were procured, and information of all financial expenditures.⁴⁴ However the reports do not provide the details on the amounts of donations and the name of each donor. Most parties would have two fields, one specifying the amount of money received from the state and another field saying ‘other income’. Parties do not specify names and amounts of donors at all; though some parties state the amount they have received from EC (public subsidy) and from donations. However these ‘donations’ are not broken down, and because it is not broken down there is no way to verify whether the

44 Regulation on Political Parties 2005, Section 29

parties report income from membership fees, donations from companies and individual private donations etc. The reports do not provide the amount of donations, dates and do not identify the donors in anyway.

When it comes to reporting expenses, as mentioned above, all parties provided expenses incurred under different themes. While it may be a good idea to categorize expenses under different themes, a further breakdown of this information is required to make it useful. Information such as the amount of expense incurred, the name of vendors, official identification of each vendor, the date on which the expense was incurred, along with the receipts, bills and invoices need to be submitted to the Elections Commission. Only with all these details can the Elections Commission carry out its oversight function properly and ensure that parties are not resorting to fraudulent means when it comes to handling their finances.

Legally all presidential and legislative candidates should provide details of income and expenditures. The legal provision for electoral candidates is more specific on the reporting of income and expenditures than for political parties. Out of six presidential candidates four provided the amounts of each donation and the name of the donor, one candidate provided the name and an estimated amount for only 'in-kind' contributions, only two candidates provided the dates on which the donations were made and one candidate did not provide an income sheet at all.

As for the expenditure, four out of six candidates named the vendors, five candidates provided detailed breakdown of the money spent and one candidate provided the total amount spent. The reporting format was not consistent. Some candidates provided a lump sum of expenses incurred at various atolls, others provided expenses in particular categories such as 'staff costs', 'public relations', 'media costs', 'office rent' and so on. In cases where names of companies or individual donors were provided, there was no official identification provided and therefore no way of verifying the authenticity of the information provided.

Of the 15 legislative candidates eight provided names of the donors, ten provided the amount of each donation, eleven provided the date of donation and none of the reports provided an official identification of donors, as the format provided by the Elections Commission does not require them to. When it comes to reporting on expenses, of the 15 legislative candidates, 13 provided the date of each expense and the amount of each expense, four provided bills, receipts

and invoices, 11 provided names of vendors and no candidate provided an official registration of vendors. Two of these candidates confused the field for names of vendors and instead provided types of expenses (example, rent) and of these two candidates, one claimed to have incurred all expenses for ‘administrative purposes’. The remaining candidate seemed to have paid all his expenditure money to a company, which in turn made payments to different vendors on the candidate’s behalf. Of these 15 candidates, seven candidates provided banks statements with the report.

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Dimension 5: Reliability of Reporting

One of the key elements of reporting due to its close ties to transparency is its reliability, or the belief that the data contained in a report is accurate. This dimension, therefore, is perception based and there are no legal indicators for measuring this dimension (see graph below). The reliability of a report is related to how accessible it is to the public and what extent the public controls its veracity. If the reliability of the data is questionable, the public’s interest in monitoring will naturally wane.

Measuring the reliability of data is difficult. The Crinis project opted to conduct surveys with key actors in this thematic area such as elected representatives, party accountants and members of civil society. A Key actor that is missing from this survey is election auditors as the Elections Commission do not have auditors and therefore the research team could not get their opinion on the reliability of financial reports.

Multiple indicators processed the responses to questions such as: how accurate reports are (example, in terms of the percentage of donations likely to be reported) and whether it is possible to obtain an accurate idea of the financing of parties/candidates by looking at the official accounting.

When those interviewed were asked for their opinion on the reliability of political party and candidate reports, the average total score yielded a satisfactory score of 3.6 (see graph below). More specifically, it was perceived that presidential candidate reports are less reliable than that of legislative and political party financial reports.

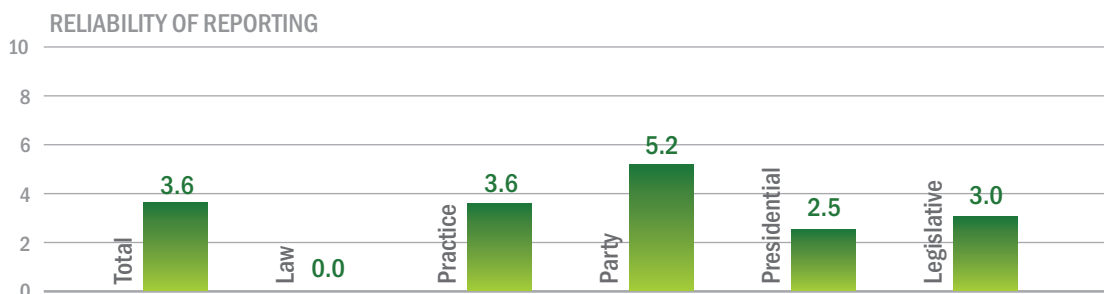


Table 9: Scores for Dimension 5, Reliability of Reporting

Dimension 6: Public Disclosure

The disclosure of financial information is a key element in ensuring that the media, civil society organizations, citizens and aspirants to public office can engage in monitoring party and electoral candidate finances. From a formal standpoint, this dimension is based on indicators, which describe the types of requirements to which the parties are subject to: the disclosure of information on public subsidies; the disclosure of information on private financing received, the periodicity of disclosure; and the channels through which the public is made aware of such information (visits to the party, the electoral management body, internet access etc).

Furthermore, additional indicators based on the findings of field tests were used to measure practices. This included the citizen experiment, mentioned earlier, whereby general citizens, journalists and students, requested information addressed to various stakeholders (such as political parties, donors, media companies and electoral candidates), using a standardized format. These indicators included following questions: what information was obtained by way of field tests conducted by volunteers? What was the rate of response achieved with requests for information submitted by local research teams? And whether parties and /or candidates voluntarily disclose financial information in practice?

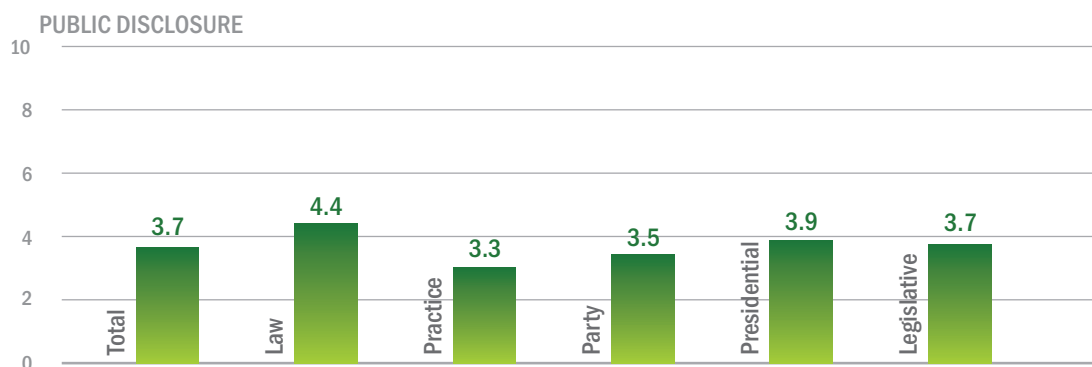


Table 10: Scores for Dimension 6, Public Disclosure

The Regulation on Political Parties stipulates that 0.1% to 0.2% of the annual national budget be allocated to political parties⁴⁵, of this amount 40% is to be distributed equally among all political parties and the remaining 60% is to be distributed pro rata, according to the size of the membership of the parties.⁴⁶ A new party, registered at the Elections Commission after the budget has been approved by the parliament, will not receive funding from the national budget, during the same year, and such parties will qualify to receive public funding in the next cycle of the national budget.⁴⁷ The task of distributing the allocated public funds to the parties is entrusted to the Elections Commission.⁴⁸ There are no legal provisions providing for the award to presidential or legislative candidates, any direct or indirect public funding.

Legally political parties and legislative candidates are not entitled to free airtime in the state media. According to the Elections (General) Act, all broadcasters should allot time for legislative candidates and parties during elections, however, not necessarily free time.⁴⁹ The law also mandates all broadcasters to publish the time(s) they plan to allot to candidates and the costs

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- 45 Regulation on Political Parties, 2005
Section 22: The money given to Political Parties shall be allotted for in the annual national budget and the allotted amount shall be in between 0.1% - 0.2% of the total budget.
- 46 Regulation on Political Parties 2005
Section 23:
(a) 40% of the allocated amount for political parties shall be distributed equally among all political parties registered at the Elections Commission, at the time of the approval of the budget.
(b) The remaining 60% shall be distributed on a pro rata basis according to the number of party members (registered and certified with the Elections Commission), on the day the national budget is approved by the parliament.
- 47 Regulation on Political Parties 2005
Section 23:
(c) New parties registered at the Elections Commission, after the Parliament approves the national budget is not entitled to receive any funding from the national budget. Such parties shall only receive public funding from the national budget once the parliament approves the budget for the next year.
- 48 Regulation on Political Parties 2005
Section 23:
(d) The Elections Commission shall distribute the funds as specified in subsection (a) and (b), within 10 working days from when the Ministry of Finance and Treasury issues the funds to the Elections Commission.
- 49 Elections (General) Act 2008
Section 30:
(a) From the day of the official announcement of the list of candidates from the Elections Commission until 1800hrs of the pre-voting day, all broadcasting companies must allot time, in accordance with this Act and (or) any regulation developed under it, for candidates and political parties to garner public support.

involved, if they plan to charge for airtime.⁵⁰ The Presidential Elections Act mandates state broadcasters to allot free airtime to all presidential candidates in an equal manner and also mandates broadcasters to publish the rules and procedures pertaining to the allotment of free airtime.⁵¹

However the research team could not verify whether the broadcasting companies followed the above provisions, as this information was not provided to the research team, despite repeated requests. A total of three stations, one state and two private, was requested for the time given to the presidential candidates of 2008 and details of any such given time.

Even though Maldives does not have a Right to Information Act (currently there is a bill at the committee stage of the parliament), there are access to information procedures laid out in the legislature concerning political party financing. The Elections (General) Act mandates the Elections Commission to make public, financial reports of electoral candidates.⁵² However, no regulations have been enacted specifying rules and requirements on public disclosure, including the time limit with which the information has to be disclosed or the means of disclosure.

There is no legal provision that mandates political parties to disclose details of their finances to the wider public, though the law states that respective party members have the right to information from their parties.⁵³ However parties are required to file an income and expenditure report with the Elections Commission, within 90 days of the end of the Gregorian calendar.⁵⁴

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- 50 Elections (General) Act 2008
Section 30:
(b) All broadcasters should announce to the wider public the times allocated for the purpose specified in (a) and the costs, if any. Issuing or selling of airtime to candidates must be done in an equal manner.
- 51 Presidential Elections Act 2008
Section 13: Further to the provision 30 of the Elections (General) Act, state broadcasters shall allot free airtime to all presidential candidates in an equal manner, within the parameters defined by the broadcasters. Further the details and procedures pertaining to such free airtime shall be made public.
- 52 Elections (General) Act 2008
Section 73 :
(d) Elections Commission should enable a mechanism for public scrutiny of all the information specified in S73 (a).
- 53 Regulation on Political Parties 2005
Section 30: Party members have the right to know income and expenditure (information) of their parties.
- 54 Regulation on Political Parties 2005
Section 29: Within 90 days of the end of each year every party must submit an audited report, including the details of funds and assets received, the source of these funds and assets, how these funds and assets were received, the amount of money spent, how it was spent and the purpose for which it was spent.

Of the ten parties selected for the research, the research team was able to contact only nine parties, and of these nine parties, only one party managed to share a financial report with the team.

Of the ten parties selected for the research, three parties had presidential candidates competing in the party's ticket during the Presidential Election of 2008 and one candidate, who ran as an independent, went on to find a party after the election. None of the parties were able to provide the financial reports of their respective presidential candidates to the research team.

Fifteen legislators were chosen for the research and of these, four were requested to share their financial reports with the team, and none of them were able to do so. Three of the legislators said that they did not keep a copy of their campaign financial reports with them and indicated that they will have to get the reports from the Elections Commission.

The Elections Commission does not proactively disclose the annual party finances, nor do they proactively disclose the presidential and legislative campaign finances. It was speculated that the commission had the presidential candidates' reports on their website, for a brief period. However the research team was unable to verify the validity of this information. At the time of writing of this report, Elections Commission does not have any of the above mentioned financial reports available on their website, nor is it published in any form. The research team was granted access to all the requested reports. However, the team had access to the documents only in the premises of the Elections Commission and under the supervision of EC staff. They were not allowed to make photocopies of the reports or borrow the documents.

Dimension 7: Preventive measures

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This study addresses the dimension of preventative mechanisms by way of six indicators. These include existence of a centralized system of bank transactions (known as a “single account”) and a ban on cash deposits preventing identification of the origin of donations. Furthermore, this dimension looks in to the existence of preventative measures against specific abuse of government resources and whether fiscal incentives are present for disclosure of donations. Moreover, another indicator focused on whether there are media regulations on preventing abuse of influence.

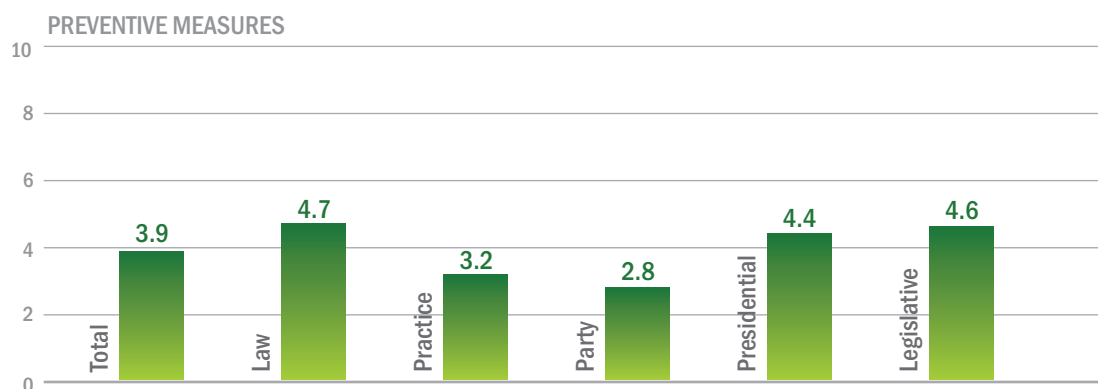


Table 11: Scores on Dimension 7, Preventive Measures

The Regulation on Political Parties does not require political parties to conduct their financial transactions through a bank account; nor is there a provision in the law prohibiting the acceptance of cash donations; nor is there an upper limit to cash donations which parties are allowed to accept, above which should be conducted as a bank transaction. However parties are required to file an income and expenditure report with the Elections Commission, which should include the details of all funds and assets received.⁵⁵ Since parties are not required to conduct all its transactions through a bank account; there is no way for Elections Commission to verify that parties have reported all of its income and expenditures, nor can Elections Commission verify

⁵⁵ Regulation on Political Parties 2005

Section 29: Within 90 days of the end of each year every party must submit an audited report, including the details of funds and assets received, the source of these funds and assets, how these funds and assets were received, the amount of money spent, how it was spent and the purpose for which it was spent.

that parties have not accepted types of income, which are prohibited by law.⁵⁶

At the time of writing this report, the opposition Dhivehi Qaumei Party (DQP) has appealed to the Elections Commission to investigate allegations of Maldivian Democratic Party (MDP) accepting foreign donations during the 2008 Presidential Election.⁵⁷

In contrast to political party accounting requirements, all electoral candidates are required by law to open a bank account⁵⁸ and conduct all campaign financial transactions through this account.⁵⁹ However looking at the presidential candidates' reports it is difficult to determine if all the transactions were made via bank transactions. And although, as mentioned before, legislative candidates were given a format for reporting from the Elections Commission, similar to that of presidential candidates, looking at the financial reports, the research team is unable to verify if all the transactions were carried out through a bank.

Donors are not required by law to report donations they make to parties or electoral candidates, nor are there any fiscal incentives available, such as tax exemptions, for donors to encourage

56 Regulation on Political Parties 2005

Section 25: Monetary donations and goods (including services) from the following sources are not allowed for parties to accept, under this regulation.

(a) Monetary donations and goods, from foreigners, foreign governments and foreign institutions.

(b) Monetary donations and goods, in the form of aid, by international organisations.

(c) Monetary donations and goods, from sources that do not want to disclose their identity.

(d) Monetary donations and goods, from business outlets of the Government.

57 Saeedh, Shaheedha. (2011, March 24), DQP appeals EC to investigate whether MDP sought foreign assistance during 2008 elections'. Miadhu News. Retrieved from <http://www.miadhu.com/2011/03/local-news/dqp-appeals-ec-to-investigate-whether-mdp-sought-foreign-assistance-during-2008-elections/>

58 Elections (General) Act 2008

Section 67:

a) Every candidate shall open a bank account in the name of the candidate, in a bank functioning in the Maldives.

59 Elections (General) Act 2008

Section 67:

(b) All candidates shall conduct all their campaign related financial transactions through the account specified in subsection (a) of this section. In addition, all candidates shall deposit all the financial donations in this bank account.

disclosure. The onus of reporting donations lies solely with the parties⁶⁰ and candidates.⁶¹ However there are no fiscal incentives for parties or candidates to file accounting reports, apart from the possibility that parties and candidates can get penalized, under the law, for not reporting.⁶²

The law is silent on the penalties for the abuse of public resources by political parties and candidates. However the law makes it illegal to use government resources or employees for political party benefits⁶³ and the granting of government buildings for political activities must be done in an equitable manner, according to the law.⁶⁴ The law also forbids the use of streets and public spaces to conduct political rallies, unless authorized otherwise.⁶⁵ However, there are no prescribed penalties in the Act or in a regulation for such offences and so this provision is rendered ineffective. The general opinion of party accountants, experts, legislators and donors is that the abuse of public resources does not get sufficiently penalized.

60 Regulation on Political Parties 2005

Section 29: Within 90 days of the end of each year every party must submit an audited report, including the details of funds and assets received, the source of these funds and assets, how these funds and assets were received, the amount of money spent, how it was spent and the purpose for which it was spent.

61 Elections (General) Act 2008

Section 73: (a) All candidates, within 30 days of the Election Day, shall submit to the Elections Commission a financial report which includes the following information.

62 Regulation on Political Parties 2005

Section 31:

(b) If any party fails to maintain their financial records, or fails to submit their accounting reports, as required by this regulation, the party can be fined an amount between MVR 20,000-50,000.

63 Regulation on Political Parties 2005

Section 33: A government employee or an employee of a government agency or entity, belonging to a political party shall not use his office or his position to gain an undue advantage to the political party she belongs to.

Section 34: A government employee or an employee of a government agency or entity, shall not use any resources of the government or another employee, for personal use or for the use of a political party. Any government employee shall not use another employee during official office hours, for personal use or for the use of the party to which the person belongs.

64 Regulation on Political Parties 2005

Section 35: Any government building shall not be used to hold the meetings of a particular party, and if the building is used to hold a meeting of a particular party, the building shall be made available to all political parties, should they require it.

65 Regulation on Political Parties 2005

Section 32:

(f) Unless and otherwise allowed in another legislation, streets and public spaces shall not be used to conduct party gatherings and activities.

There are no laws pertaining to media time for parties during non-electoral periods. However as mentioned earlier, all broadcasters must provide media time for electoral candidates in an equal manner. The research team was unable to verify if this was adhered by broadcasters, as they did not disclose the requested information.

Dimension 8: Sanctions

As with most other dimensions, multiple indicators that focused on both the legal framework and practices were used to evaluate the dimension of sanctions. Questions used included: are existing laws on political financing adhered to in practice? Is current legislation in this area adequate in the country? Are sanctions for transgression of political finance rules appropriate? In order to verify if sanctions are applied, media reports and court cases were reviewed.

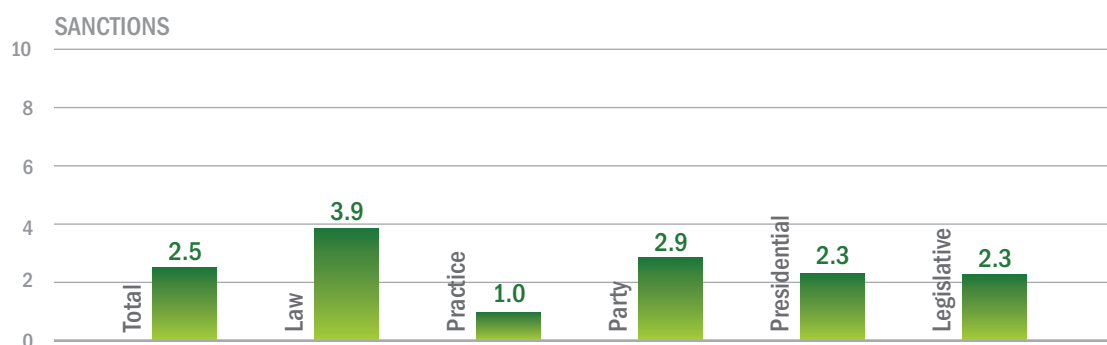


Table 12: Scores on Dimension 8, Sanctions

The law allows for the penalization of political parties that accept monetary and other contributions-either assets or in-kind contributions-forbidden by law. In such cases the party can be fined up to twice the value of the contribution in question.⁶⁶ The law also allows for the imposition of a fine between MVR 20,000 to 50,000, to parties, for non-submission of reports or not maintaining the financial records.⁶⁷ In addition to these penalties the person who is in charge of handling the finances can be fined an amount between MVR 5,000 to 10,000.⁶⁸

In practice, the Elections Commission has penalized political parties by imposing fines on political parties for non-submission of reports.⁶⁹ In March 2011, Elections Commission announced that they would not issue public subsidies for a total of 6 parties, citing lack of any political activity.⁷⁰

66 Regulation on Political Parties 2005, Section 31 (a)

67 Regulation on Political Parties 2005, Section 31 (b)

68 Regulation on Political Parties 2005, Section 31 (c)

69 Elections Commission, (2010, April 13). Press Statement, No. (NB)CA-2010/6. Retrieved from <http://www.elections.gov.mv/v2/media/documents/213.pdf>

70 Minivan News (2011, February 20). Elections Commission suspends funds to 'inactive' political parties. Retrieved from <http://minivannews.com/news-in-brief/elections-commission-suspendsfunds-to-inactive-political-parties-16325>

The matter was contested at the Civil Court by two of the political parties who didn't receive funding (People's Party and Social Democratic Party), and the court ordered the Elections Commission to release the funds, stating that "Elections Commission was obliged to distribute the budget allocated for each party according to the Elections Commission Act and that there were no probable grounds to believe that the EC had authority to decide whether or not to deliver the money."⁷¹ There is no recorded instance of a party been penalized for accepting contributions forbidden by law or for not maintaining their financial records, as required by law.

The Elections (General) Act lists 20 offenses and most offenses are Election Day related offenses; only two offenses are finance related.⁷² Among these offenses include the acceptance as well as donation of contributions that exceed the ceiling limit. According to the Act, any person found guilty of committing an offense can be jailed for a period of one to four years or fined an amount between MVR 12,000 to 48,000.⁷³ The law also allows for stricter penalization of persons who have been entrusted with a task relating to elections⁷⁴ and also allows for the penalization of persons who withhold information regarding the committing of an offense.⁷⁵ The Elections (General) Act also allows for the penalization of any activity deemed illegal in the Act or any other Act relating to elections⁷⁶ and in such instances the guilty can be imprisoned for a period between 6 months to two years or fined an amount between MVR 6,000 to 24,000.⁷⁷ There has been no known instances of electoral candidates been penalized for submission of incomplete reports or non-submission of reports. At the time of writing of this report no elected representative has been unseated regarding a matter of candidate financing, or for any other election related matter. There are no specific provisions for the penalization of media for

71 Nazeer, Ahmed (2011, July 11). Civil Court orders EC to release funds for People's Party, Social Democratic Party. Minivan News. Retrieved from <http://minivannews.com/politics/civil-court-orders-ec-to-provide-budget-for-pa-22568>

72 Elections (General) Act 2008
Section 74:

(a) Carrying out or attempting to carry out the following activities, in any election, is an offense.

19. Exceeding the spending limit specified in Section 69.

20. Donating or accepting contributions exceeding the limit specified in Section 72 (b).

73 Elections (General) Act, Section 74 (b)

74 Elections (General) Act, Section 74(c)

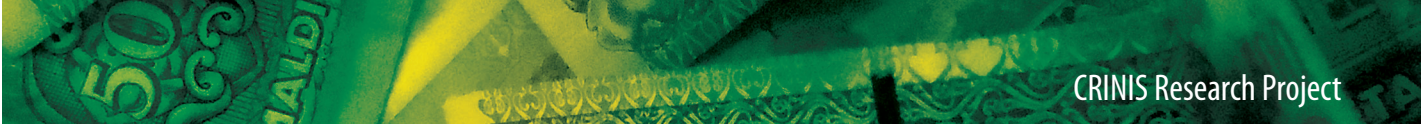
75 Elections (General) Act.

Section 74:

(d) Any person withholding information relating to an offense stated in this section shall be imprisoned for a period between 6 months or 1 year or fined an amount of MVR 3,000.

76 Elections (General) Act, Section 75 (a).

77 Elections (General) Act, Section 75 (b).



non-compliance and there have been no recorded instances of the media been sanctioned for election related offences or more specifically regarding party finances.

9

Dimension 9: State Oversight

State-oversight is an indispensable element in strengthening the systems that regulate financing. The independence of the oversight bodies is necessary to effectively carry out their duties. It is also vital that they have sufficient technical capacity, human resources and materials. The three indicators used in this study focused on actual practices, encompassing the following questions: how independent is the electoral management body, as evaluated by relevant actors in the field? What are its capacities and shortcomings in terms of resources? And whether they have the necessary legal powers to carry out independent oversight of political financing activities.

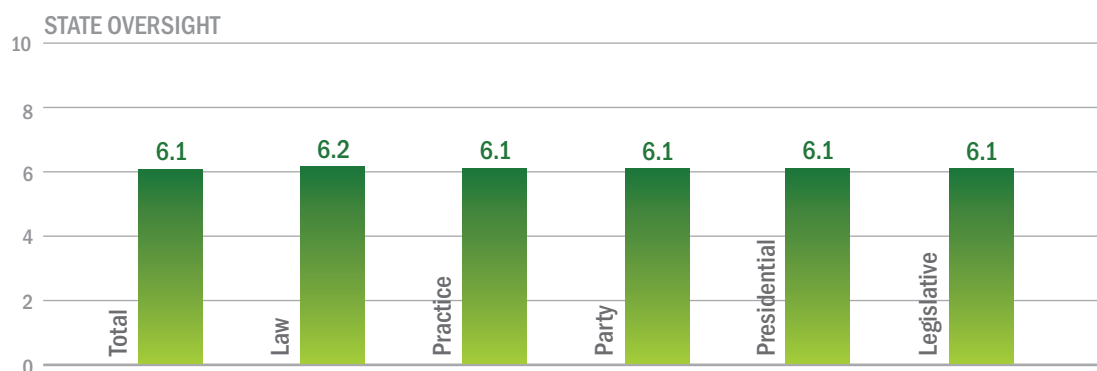


Table 13: Scores on Dimension 9, State Oversight

The Constitution of the Maldives establishes an independent and impartial Elections Commission.⁷⁸ The constitution also specifies the number of Commissioners, how the Commissioners are to be appointed, the minimum standards required to become a Commissioner and the roles and responsibilities of the Elections Commission. The Elections Commission will have a total of 5 members, including the President of the Commission.⁷⁹ To appoint

78 Constitution of Republic of Maldives, 2008.

Article 167:

(a) There shall be an Elections Commission of the Maldives.

(b) The Elections Commission is an independent and impartial institution. It shall exercise its duties and responsibilities in accordance with the constitution and laws enacted by the People's Majlis.

79 Constitution of Republic of Maldives, 2008.

Article 168:

(a) The Elections Commission shall comprise of at least five members including the President of the Commission.

Elections Commissions Act, August 25, 2008.

Section 3: The Elections Commission shall constitute of 5 members.

Commissioners, the President is to submit a list of names to the People's Majlis,⁸⁰ and of these names the President will appoint, as members, those who receive a majority vote of the Majlis.⁸¹ According to the Elections Commission Act a person is appointed for a single term of 5 years, from the date the person is appointed.⁸² However, a Commissioner can be appointed for a 2nd term, if the Majlis approves.⁸³ A member of the Commission maybe removed, by a majority vote of the parliament, or if found to be in breach of any of the provisions of the Act or any other law, or if found to be in breach of their professional conduct as members of the EC.

The constitution mandates appointed members to possess the capability and educational qualification required to carry out the function of the Elections Commission and bars Members from been employed, elsewhere.⁸⁴ However the Elections Commission Act does not specify a minimum level of education or experience required.

Furthermore, as per the Elections Commission Act, every year the state budget, passed by the parliament, should allocate money for the Elections Commission that will enable its functions to be carried out.⁸⁵ The Elections Commission Act also provides legal protection for

80 Elections Commissions Act, August 25, 2008.

Section 4:

(b) Once a Members or a Member is to be appointed to the Commission, the President shall submit a list of names to the Majlis. The number of submitted names shall not be less than the number of Members to be appointed to the Commission.

81 Elections Commissions Act, August 25, 2008.

Section 4:

(d) From the names submitted to the Majlis under S4 (b), the President shall appoint the persons who got a majority vote of the Majlis.

82 Elections Commissions Act, August 25, 2008.

Section 6:

(a) The duration of the term for an appointed member shall be 5 years, from the date the person was appointed and a person can be appointed for only 1 term.

83 Elections Commissions Act, August 25, 2008.

Section 6:

(b) Notwithstanding subsection (a), the Majlis can appoint any Member for a further period of no more than 5 years. This shall not be applicable for persons removed from the position of Member, under Section 14.

84 Constitution of Republic of Maldives, 2008.

Article 169 To be qualified for appointment to the Elections Commission, a person shall possess the educational qualifications, experience and recognized competence necessary to discharge the functions of the Elections Commission. Members of the Elections Commission shall not engage in any other employment.

85 Elections Commission Act, Section 27 (a)

Commissioners and staff of the EC from being prosecuted for civil or criminal offenses, while carrying out their official duties with good intention and within the legal framework, in order to fulfil the functions of the commission.⁸⁶

⁸⁶ Elections Commission Act, Section 18.

Dimension 10: Non-state oversight

In addition to the oversight functions performed by state bodies, other actors such as political parties, media, academics, civil society organizations and citizens may engage in monitoring financing in politics. Monitoring includes reporting irregularities to government bodies, analyzing finance reports to inform the public and pressuring authorities to improve the quality of their oversight function. This study addressed this dimension by focusing on the oversight activities performed by civil society organizations. The specific questions included: whether there are organizations that oversee political financing and whether they are independent. Moreover, this included whether civil society reports on misbehavior to state agencies.

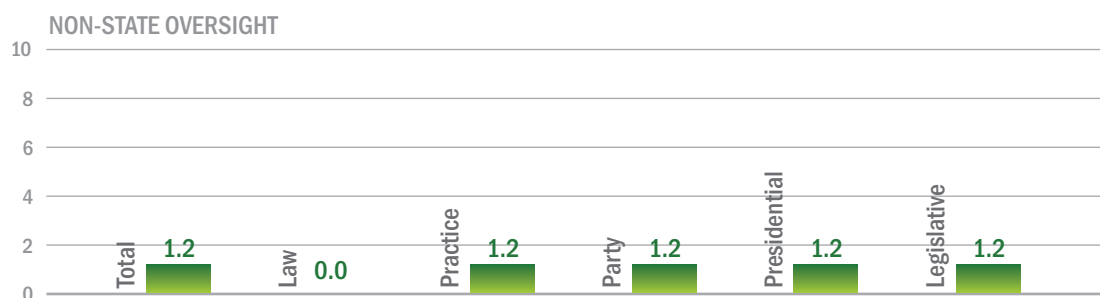


Table 14: Scores on Dimension 10, Non-State Oversight

There is no legal framework that requires non-state actors to oversee political financing of parties or candidates (the reason why there is no score for 'law', in the graph above). This dimension received the lowest overall score in this study (1.2). Currently, there are no known non-state organizations that are directly carrying out political financing monitoring activities. This study, by Transparency Maldives, is the first of its kind done by a non-state actor that oversees political financing.

Transparency Maldives has been carrying out media monitoring projects that indirectly addresses transparency in political financing. The project evaluates the objectivity and bias of media with regards to state institutions and political parties and actors, both during an electoral period (Local Council Elections 2011) and a non-electoral period. The results of the media monitoring study will highlight the extent and manner with which the media provides airtime for various political parties.

Conclusions and Recommendations

Transparent and accountable political financing activities are not a one-stop solution to all issues related to political corruption. Nonetheless, it is one of the most pivotal elements in addressing problems related to political corruption and in assisting to build public trust in politics and politicians. In other words, political financing transparency is a precondition to assessing the integrity of politicians once they are elected to office.

In the Maldives political financing is mainly viewed as a book keeping and procedural issue rather than as an issue of accountability to one's constituency, that directly affects the level of democracy within the system. Political financing transparency, vested interest of financiers and the issue of anticipated, as well as bestowed favors in return is not widely discussed as a governance issue. To address this issue and highlight the critical link between political financing and corruption is one of the central premises of the Crinis project.

Maldives is a nascent democracy and it is important to lay out strong foundations at this stage. In this sense, working toward enhancing the transparency of political competition in both election and non-election periods is critical to support democracy. Political parties and candidates constitute the primary vehicles utilized by citizens to channel their participation in the political process, and must therefore hold to democratic values such as integrity, transparency and accountability.

The starting point for strengthening the foundation upon which political parties and candidates rests, is a regulatory and social consensus on the public's right to know about political finance activities. In principle, this information must be made available so that citizens can engage in effective public oversight; to support, put pressure on and complement state oversight bodies, and take into consideration the private interests behind political parties and candidates when casting their votes.

Public oversight must not replace but rather complement the oversight by the state. It is as such an indispensable element in promoting change toward modern and efficient political finance systems. To this end, the public must be able to access complete, reliable and timely information on the resources managed by parties and candidates.

On rare occasions, this right conflicts with other values, such as the safety of donors and political freedom. Once data on private donations is made public, there is the chance that it may be misused for criminal purposes against donors. It is possible that parties and candidates may be at a disadvantage since potential donors may be subjected to threats or retaliations; be that from the government, other donors and businesses, or even from a powerful opposition, if such information is made public. Such exceptional situations must be clearly specified and explained in the law insofar as concessions to the degree of transparency made.

However this should not be used as an excuse to deny the public's right to information on political party financing and the general rule should continue to give priority to the public's right to know how political parties and campaigns are financed.

1. Elections Commission

1.1 Provide standardized financial reporting template for all mandatory financial reports to be submitted to the Elections Commission.

Though the law does not mandate parties to report accounts in a standardized format, parties and candidates are required to include in their reports the details of funds and assets received, the sources of these funds and assets, how these funds and assets were procured, the amount of money spent, how it was spent and the purpose for which it was spent. In practice, parties and candidates often do not specify separate sources and amounts of funding. In most cases, the absence of the standardized reporting format also leads to inconsistencies on the information provided by parties. For the parliamentary elections of 2009, legislative candidates were provided a standardized format by the Elections Commission to report on income and expenses. This resulted in a substantial increase in the quality and detail of reporting.

The Elections Commission could provide similar templates to political parties and presidential candidates to yield the same result. In addition to having more detailed information, a common template makes it easier and faster to list specific information and is especially helpful when making comparisons between candidates. A common template would also be useful when the Commission is auditing submitted reports, as a template would considerably speed up the process. An improvement that can be made on this format would be to add a separate field to

include the official identification of donors, whether it is the national identity card number or passport number in the case of individuals, and business registration numbers in the case of companies.

1.2 Establish mechanisms for reviewing the reports submitted by political parties and electoral candidates.

Throughout the course of the research it was established that the Elections Commission does not have auditors or other designated staff who would analyze the reports submitted by the parties and candidates, in a regular manner. As part of the methodology, the research team has requested to interview the auditing personnel in the EC and was informed that they do not have such staff. The Elections Commission has imposed sanctions on certain political parties for not submitting reports but there have not been any instances when parties have been warned or penalized for submitting incomplete or inaccurate information to the oversight agency. That leads the research team to conclude that the content of the reports is not checked.

As an official state body legally mandated to oversee the political financing, the commission needs to make sure that it does not serve as a mere repository of reports, but that it checks and scrutinizes them to establish that parties and candidates are not breaching the legally prescribed requirements for reporting.

1.3 Elections Commission should proactively disseminate mandatory financial reports to the public in an easily accessible form and in a timely manner.

This is one of the most important steps in battling corruption in political financing and building trust between the public, electoral candidates and parties. Only when information is made accessible can voters make an informed decision when casting their vote. Similarly, the media and watch dog organizations can only carry out its reporting and overseeing functions, if they can easily access the financial reports of parties and candidates.

The current practice of the Elections Commission is to disclose financial reports only when requested for and even then the person requesting the information is not provided a copy of the report. The person has to physically go to the Elections Commission, stay within the premises, and note down any information the person requires (the EC does not allow people to take photocopies or scan these documents). The EC also does not have any of the above mentioned

financial reports available on their website, nor are they published in any form. The current practice is a very narrow interpretation of Section 73 (d) of the Elections (General) Act, which requires the Elections Commission to ensure a way for public scrutiny of electoral candidates' reports.

All financial reports collected and verified by the Elections Commission should be made accessible, in a timely manner (e.g., in a searchable web data base or as soft copies). Older financial records should be archived and accessible to the public in a manner compliant with generally acceptable standards.

2. Political Parties

2.1 Disclosure of audited Financial reports to the general public in easily accessible formats and in a timely manner.

There is no legal provision that mandates political parties to disclose details of their finances to the wider public, though Section 30 of the Regulation on Political Parties, mandates parties to provide details of their finances to the respective party members. The research team had much difficulty in obtaining annual party finances from the parties that were selected for the research. Of the ten parties selected for the research, the research team was able to contact only nine parties, and of these nine parties, only one party managed to share a financial report with the team. Political parties should proactively disclose audited financial information including cash and in kind donations as well as their assets and liabilities. Since all political parties receive some amount of funding from the state, and more importantly, since all political parties work to garner the support of the general public, limiting the right to financial information from a party, to only its members is unjustifiable. Political parties should be mandated to provide financial information to all members of the public, media and civil society organizations, regardless of party affiliation.

3. People's Majlis (Legislature)

3.1 Amend laws to mandate parties and candidates to submit official identification of donors and vendors.

The current legal framework does not mandate political parties and candidates to provide official identification of donors and vendors. The current practice is to provide just the name of donors and candidates and in the absence of official identification there is no way to ensure the reliability of the information provided. Mandating parties and candidates to provide official identification of donors and vendors would increase the reliability of information provided and in turn increase public trust in parties, candidates and the political financing system; it would provide less room for misappropriation of party and campaign funds by making parties and candidates more accountable to members, supporters and the general public; and it would also leave less room for parties and candidates to provide inaccurate and fraudulent information.

3.2 Amend laws to mandate Political Parties to conduct financial transaction through a specific bank account.

The Regulation on Political Parties does not require political parties to conduct their financial transactions through a bank account; nor is there a provision in the law, prohibiting the acceptance of cash donations; nor is there an upper limit to cash donations which parties are allowed to accept, above which should be conducted as a bank transaction. Since parties are not required to conduct all its transactions through a specified bank account; there is no way for Elections Commission to verify that parties have reported all its income and expenditures. The law should be amended such that political parties are required to carry financial transactions via a specified bank account and require parties to disclose bank statements, invoices, and receipts of all financial transactions.

3.3 Amend laws to include effectual penalties for non-compliance of financial reporting obligations.

Although, the current legal framework does provide penalties for inaccurate reports or non-submission of financial reports some of the penalties are not effective. For example, the existing penalty of MVR 50,000 for political parties failing to submit reports is inadequate, as it is a small

proportion of the state subsidies given to a particular party. Add to that the amounts that parties may receive, as donations, and penalty becomes miniscule. The law should provide for penalties that are effectual and act as a proportionate disincentive for non-compliance.

3.4 Amend Political Party laws and regulations to mandate parties to disclose annual audited accounting reports to the general public.

There is no legal provision that mandates political parties to disclose details of their finances to the wider public, though the law states that respective party members have the right to information from their parties. However parties are required to file an income and expenditure report with the Elections Commission, within 90 days of the end of the Gregorian calendar. Laws should be amended so that political parties are required to disclose these financial reports to the general public and not just to the Elections Commission and respective party members.

3.5 Amend laws to require the Elections Commissions to disseminate and enable easy access to political financing information of both political parties and candidates, to the general public.

The Elections (General) Act mandates the Elections Commission to make public, financial reports of electoral candidates. However, no regulations have been enacted specifying rules and requirements on public disclosure, including time length of disclosure or the means of disclosure. Furthermore, there is no legal obligation for the Elections Commission to disclose financial information of political parties at all. The laws should be amended so that the public can easily access political financing information of all electoral candidates and parties so that voters can make more informed decisions during elections..

3.6 Amend Elections Laws to require disclosure of media time and internal policies for time allocation.

The Elections (General) Act mandates all broadcasters to allot time for legislative candidates and parties during elections, all and requires broadcasters to publish the time(s) they plan to allot to candidates and the costs involved, if they plan to charge for airtime. The Presidential Elections Act mandates State broadcasters to allot free airtime to all presidential candidates in an equal manner and also mandates broadcasters to publish the rules and procedures pertaining to the allotment of free airtime. However, there are no provisions in the laws that require the media to

disclose this information to the Elections Commission and therefore no grounds for penalties for non-compliance. Laws should be amended such that the media is required to submit reports to the Elections Commission on how the airtime was given during electoral campaigning and mandate broadcasters to make available to the public, in an accessible manner, any internal rules or regulations they follow for allotting time to political parties and candidates.

4. Civil Society and Media

4.1 Conduct awareness and advocacy programs on political financing and links to corruption

Civil society and media play crucial role in informing public about political funding and helping them to make informed choices on the elections day.

Civil society watchdog groups, particularly the ones working on governance and democracy issues should put more focus on issues of political funding. Such groups can monitor compliance to the laws, expose wrongdoings by political contenders and bring them to the attention of the Elections Commission and the public. With such information they can empower citizens to hold politicians and elected officials accountable. In the context of Maldives, where democratic institutions are just being established, it is advisable for civil society groups to engage in awareness raising and advocacy campaigns to push for more transparency and integrity in financing of politics.

Media plays a critical role in helping parties and candidates to communicate their messages to voters and it is important that all players are given a fair chance to do so. Media should ensure independent and balanced reporting on political parties and electoral candidates. In addition it is recommended for journalists to engage in investigative reporting on political financing since this can lead to exposing potential wrongdoings and build up pressure for reform.

Media organizations can also conduct and publish/air investigative reports on political financing, reporting discrepancies, non-compliance and illegal fundraising.

Appendix A

List of Political Parties (the parties were selected based on the size of party membership)

- I. Maldives Democratic Party
- II. Dhivehi Rayyithunge Party
- III. People's Alliance
- IV. Jumhooree Party
- V. Dhivehi Qaumee Party
- VI. Adhaalath Party
- VII. Islamic Democratic Party
- VIII. Maldives Social Democratic Party
- IX. People's Party
- X. Gaumee Ithihaadh

Appendix B

List of MPs (Members of the People's Majlis) Contacted

- I. Maldivian Democratic Party
 - Eva Abdullah
 - Ilyas Labeeb
 - (Reeko) Moosa Manik (Minority Leader of People's Majlis)

- II. Dhivehi Rayyithunge Party
 - Dr Abdullah Mausoom
 - Ahmed Mahloof
 - Mohamed Mujuthaaz (Head of Independent Institutions Committee)
 - Abdullah Shahid (Speaker of the People's Majlis)
 - Ahmed Thasmeen (Majority Leader of People's Majlis)

- III. People's Alliance
 - Yameen Abdul Gayoom
 - Abdul Azeez Jamaal Abu Bakr

- IV. Dhivehi Qaume Party
 - Riyaz Rasheed

- V. Jumhoore Party
 - Ibrahim Muthalib
 - Gasim Ibrahim

- VI. Independent MPs
 - Ibrahim Riza
 - Mohamed Nasheed

Appendix C

Presidential Candidates who ran for the 2008 Elections

- I. Mohamed Nasheed
- II. Maumoon Abdul Gayoom
- III. Ibrahim Ismail
- IV. Umar Naseer
- V. Gasim Ibrahim
- VI. Hassan Saeed

Appendix D

List of Corporate Sector Organizations Contacted

- I. Cyprea Pvt. Ltd
- II. Lintel Pvt. Ltd
- III. Inner Maldives Pvt. Ltd.
- IV. Voyages Maldives Pvt. Ltd.
- V. Jausa Holdings Pvt. Ltd
- VI. Rainbow Enterprises Pvt. Ltd
- VII. Alia Group Pvt. Ltd
- VIII. Champaa Resorts Maldives
- IX. Vaaly Brothers Pvt. Ltd
- X. MHA Pvt. Ltd.

Appendix E

Explanatory Note on Calculating CRINIS Final Scores

This is a brief description of the process from the submission of data by the research team and the aggregation of the final CRINIS score for a country by Transparency International.

The Crinis questionnaire consists of roughly 440 questions. The data which research teams have submitted were summarized in pdf printouts. The printouts were split into two parts. The first ones with only one possible answer and the second, with several answers.

Questions with several answers were split into several separate variables (one variable for each answer). All answers into these questions were coded into scores. Each answer corresponds to a number, ranging from 0 to 10.

All the answers to questions (all answers by all interviewees, which was in total 4000 answers or datapoints) were put together in a spreadsheet. This was done in the following steps:

Step 1: Questions that were answered by several respondents were aggregated in a simple average score. That means the answers from many sources are summarized in one score per original question.

Step 2: Many questions include the same wording, with slight adaptations for assessment of law or practice, of party finance, presidential elections or legislative elections. In the Crinis data spreadsheet these six possibilities were grouped together in one line, with six separate columns (for law_party; law_presidential; law_legislative; practice_party; practice_presidential; practice_legislative). These groups were called GENERIC QUESTIONS. There were about 240 generic questions (or lines) in the spreadsheet. These indicators were the closest to the original data in the spreadsheet.

Step 3: GENERIC QUESTIONS were grouped together to INDICATORS. That means, lines are summarized in lines above. There was a total of 50 INDICATORS.

Step 4: Indicators were then summarized in DIMENSIONS. We had 10 dimensions, and 50

indicators feed into these dimensions. Each dimension has a different number of indicators.

Step 5: Dimensions were summarized into the Total CRINIS score for the country.

In a more detailed level, the data has been summarized in total scores for

- 1) Law and practice
- 2) Different types of funding (party, presidential, legislative)

Step 6: Separate average scores were summarized for all columns describing what happens in law and in practice in terms of party, presidential and legislative respectively.

Step 7: Separate average scores were also summarized for all columns referring to party finance, presidential elections and legislative elections in terms of law and practice respectively.

Step 8: Simple averages were summarized for all columns.

In some cases, step 2 and step 3 involved weighing of different input variable to create output variables. All weighs were included in the spreadsheet. Variables were marked in different colors.

- 1) Variables with a different weight were marked in green or red
- 2) A weight 0 means that this variable was not considered mostly because this question did not apply to this country

In this way, 4000 datapoints are summarized in a single country score. Graphs represent intermediate levels of aggregation by each dimension.

Appendix F

Participants of the Crinis Research Validation Workshop

- I. Ahmed Thaufeeg, Gaumee Ithihaad
- II. Hussain Zahid, Elections Commission
- III. Ibrahim Waheed, Elections Commission
- IV. Jasmine Hussain, Human Rights Commission of the Maldives
- V. Mohamed Hisham, Human Rights Commission of the Maldives
- VI. Hana Mansoor, Department of Planning
- VII. Rilwan Abdul Rahman, Maldivian Democratic Party
- VIII. Idreez Mahfooz, Maldivian Democratic Party
- IX. Mohamed Rasheed Bari, Board Chairman, Transparency Maldives
- X. Fathmath Shahina, Jumhooree Party
- XI. Ramla Abdullah, Jumhooree Party
- XII. Ali Shujau, Local Consultant (Legal Review)
- XIII. Ataullah Rasheed, Local Consultant
- XIV. Hassan Nazim, Elections Commission
- XV. Hussain Siraj, Board Member, Transparency Maldives
- XVI. Adam Shamil, Anti Corruption Commission
- XVII. Naima Mohamed, UNDP Maldives

