

# Campaign finance

A guide to best practice in transparency, accountability  
and civic engagement across the public sector

The Transparency and Accountability Initiative is a donor collaborative that includes the Ford Foundation, Hivos, the International Budget Partnership, the Omidyar Network, the Open Society Foundations, the Revenue Watch Institute, the United Kingdom Department for International Development (DFID) and the William and Flora Hewlett Foundation.

The collaborative aims to expand the impact, scale and coordination of funding and activity in the transparency and accountability field, as well as explore applications of this work in new areas.

The views expressed in the illustrative commitments are attributable to contributing experts and not to the Transparency and Accountability Initiative. The Transparency and Accountability Initiative members do not officially endorse the open government recommendations mentioned in this publication.

For more information contact:

## Transparency & Accountability Initiative

c/o Open Society Foundation  
4th floor, Cambridge House  
100 Cambridge Grove  
London, W6 0LE UK

Tel: +44 (0)20 7031 0200

E: [contact@transparency-initiative.org](mailto:contact@transparency-initiative.org)

[www.transparency-initiative.org](http://www.transparency-initiative.org)



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**Contributors:** Transparency International USA and the Transparency and Accountability Initiative

Around the world, political financing is increasingly at the forefront of public debate. The rapid growth of democracy around the world since the early 1990s has highlighted the need for stronger regulation and reform to prevent the negative influence of money in electoral politics.

Transparency of political party and campaign contributions is essential to protecting the integrity of democratic processes and ensuring fair elections. Laws requiring the public disclosure of independent political party and campaign contributions ensure that individuals, organisations, interest groups and corporations do not unduly influence a country's elections or political leadership.

Measures addressed at reform of political party/campaign finance are often met with strong resistance from corporations and other organisations that use wealth to influence political parties and elections, and from the political leaders that rely on this wealth. Even when campaign finance laws are passed, they are often not rigorously policed or enforced due to weak legal frameworks, under-resourced regulators and/or lack of capacity. Political leaders and parties, independent contributors and regulators all have a critical role to play in addressing these weaknesses and in making 'good faith' efforts to improve transparency in political party and electoral campaign financing.

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## Initial steps

### Goal

Restoring and enhancing trust in public institutions through full and prompt disclosure of all contributions and expenditures in political campaigns and elections.

### Justification

Lack of transparency in funding for political campaigns has undermined trust in government at all levels in many countries around the world, raising concerns about undue influence over elections and, thus, legislation, government policy and appointments.

### Recommendations

1. Governments should require that all groups or individuals engaged in or acting to influence the outcome of an election file prompt reports that clearly identify the amounts and recipients of their contributions. Political candidates and officials should file prompt reports on all amounts and sources of funds received and all expenditures.
2. Disclosure requirements should apply to candidates, political parties and related organisations and to groups engaged in political advocacy. These should apply at the federal, provincial and local levels and should cover all types of election, including referendums and recalls.
3. Reports should be required to be made available to the public promptly and in an accessible, easily understood format.
4. Disclosure requirements should be enforced by an independent agency with political independence, legal authority and adequate staff and funding to enforce disclosure requirements effectively.

## More substantial steps

### Goal

More timely and comprehensive transparency of lobbying activity to reduce actual, potential or perceived conflict of interest and undue influence.

### Justification

Transparency is essential for citizens to trust that special interests will not unduly influence public policy and elections. Putting a wide range of information online within a short timeframe will help to ensure public access and build trust. Disclosure is meaningless unless regulators make information readily accessible to the public in user-friendly reports.

Moreover, low-cost internet and database technology can make this information easier to interpret and to reorganise for research purposes.

### Recommendations

1. Each government should post on a central website a single searchable public database that includes sources and amounts of contributions and expenditures. This information should also be available in printed form.
2. Similar web-based and otherwise publicly accessible information should be published at the provincial and local levels.

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## Most ambitious steps

### Goal

Comprehensive transparency of all actors engaged in lobbying activity.

### Justification

Government decision-makers and the public should have information on who is attempting to influence public policy decisions, and how.

### Recommendations

1. Contributions received by officials, including gifts, entertainment and other financial support and names of donors should be publicly reported.
2. There should be mandatory public registration of lobbyists and regular disclosure of clients, issues and financial expenditures.
3. Corporations, labour unions, trade and professional associations and other non-profit organisations should be required to adopt disclosure policies on transparency of expenditures for lobbying and campaigns.



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