

**Report on the Consolidated Statements on Funds received and
expenditure incurred by the political parties and independent
candidates during the electioneering period for the Presidential
and National Assembly Elections held in 2020**



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1.0 Introduction

The Electoral Commission is constituted under Article 115 of the Constitution. The independence of the Commission is guaranteed under Article 115 (2) which states that the Electoral Commission shall not, in the performance of its functions, be subject to the direction or control of any person or authority.

The Presidential and National Assembly Elections took place on the 22nd, 23rd and 24th October 2020.

The Presidential election saw the participation of three nominated candidates from the following established political parties; United Seychelles (US), Linyon Demokratik Seselwa (LDS) and One Seychelles (OS).

For the National Assembly election, United Seychelles (US) and Linyon Demokratik Seselwa (LDS) each nominated candidates for the 26 electoral areas. One Seychelles (OS) and Lalyans Seselwa (LS) nominated candidates for only 18 and 3 electoral areas respectively excluding rejected nominations.

In addition, there were two independent candidates for the Beau Vallon and St. Louis constituencies namely, Mr. Keith André and Mr. Holbert Jean respectively.

2.0 Rationale of the Report

In accordance with section 94 (3F) of the Elections Act, the Electoral Commission is required to “publish its finding on the consolidated funds received and expenditure incurred during the electioneering period by the candidate, agent of the candidates and political parties within 60 days after receiving the statement under subsection (3)”.

It is to be noted that this is the first time that such a report is being published as a result of the 2020 reform of the Elections Act.

The report will address the following subject areas, in the findings section, in respective order proposed below:

- a. Campaign Cap Requirement
- b. Analysis of Funds received and spent on Campaigning as reported by Political parties and Independent Candidates
- c. Parties/ Candidates in breach of Section 94

The report will also present recommendations in order to mitigate the limitations.

3.0 Findings

This section reports the findings, as reported by political parties and independent candidates. Three political parties; LDS, US and One Seychelles along with the two independent candidates submitted their consolidated statements to the Electoral Commission as required.

Lalyans Seselwa (LS) did not submit the statement.

3.1 Campaign Cap Requirement

Section 94 of the Elections Act states that no registered parties and candidates “shall incur expenses exceeding R250, 000 multiplies by the number of electoral areas contested by the party during the electioneering period”.

In terms of a Presidential election, there is therefore no disparity between an independent candidate and one from a political party.

For National Assembly election, on the other hand, a political party that has nominated a candidate can spend a maximum of SR250, 000, multiplied by the number of electoral areas it has nominated candidates for and in addition to that, the nominated candidate could himself/herself spend an additional SR250, 000 for the same purpose, making it a total maximum of SR500, 000 for each candidate.

In the case of independent candidate, they can only spend maximum SR250, 000. As a result candidates from political parties could thus spend twice as much as an independent candidate on campaigning.

3.2 Analysis of Funds received and spent on Campaigning as reported by Political Parties and Independent Candidates

This section of the report will aim at the analysis made by the Commission on the financial statements provided. It is to be noted that the analysis is limited as per the requirement of the amendment and shall not extend to the full scrutiny of the campaign statement but rather focus on the general observation.

Section 94 (3B) provides that the Electoral Commission shall, on receipt of the consolidated statement under subsection (2), maintain the records of such statements and may, from time to time, issue public reports disclosing the total funds received by each candidate or political party and the number of persons from whom such funds have been received.

Section 94(3C) provides that where the total funds received from a person exceeds R50,000, the details of the disclosure made in the statement under subsection (2) shall be made public and posted on the website of the Electoral Commission.

3.2.1 Campaign Funds Received as reported by Political Parties and Independent Candidates from all sources

The amount of campaign funds reported to have been received by political parties are depicted in the table below. The disparity between political parties and independent candidates is evident.

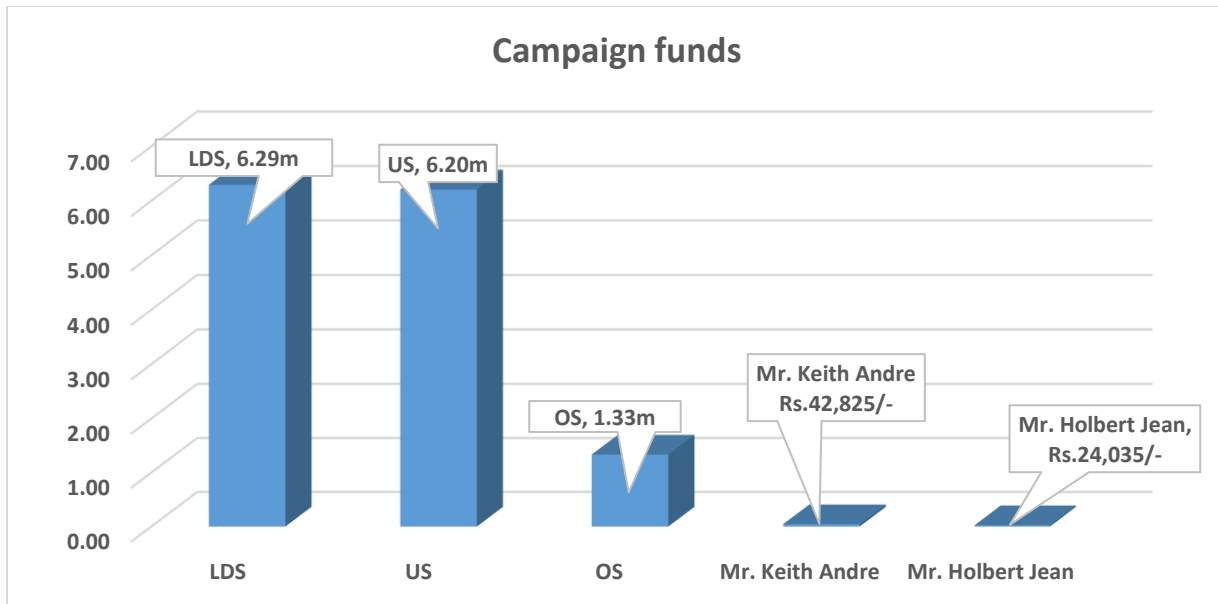
Further probing on this matter, with regards to the statements submitted, revealed that LDS and US are the only political parties which received external funding towards campaigning.

One Seychelles on the other hand confirmed that sponsors received were only from members within the party.

As for the independent candidates, the Commission was informed that Mr. Andre self-funded his campaign and in the case of Mr. Holbert Jean, he received one support in kind rather than monetary, from a sponsor.

Table 1 also shows that LDS is the political party which reported the highest fund received for campaigning.

Table 1 Campaign funds of Political parties and Independent Candidates



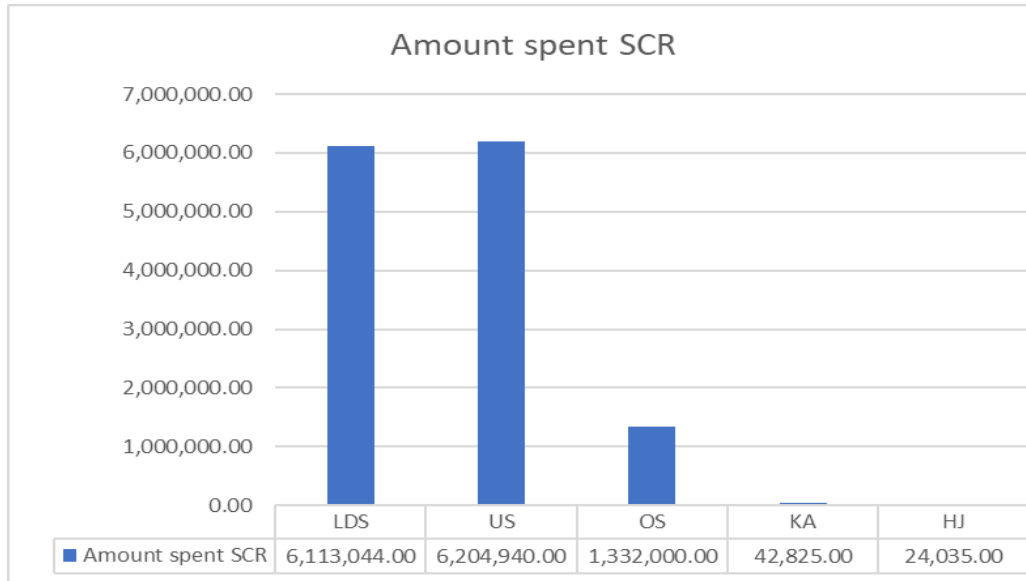
3.2.2 Expenses incurred for Campaigning as reported by Political Parties and Independent Candidates

The Electoral Commission observes, based on financial statements submitted, that on the whole, both political parties and independent candidates incurred expenses within the established ceiling.

The total amount of funds incurred for campaigning for the 2020 election ranged from R24 thousand to R 6.2 million.

Table 2 shows that US is the political party, which reported the highest campaigning expense. On the other hand One Seychelles and the independent candidates funds received reflect same spent.

Table 2 Sum incurred for Campaigning



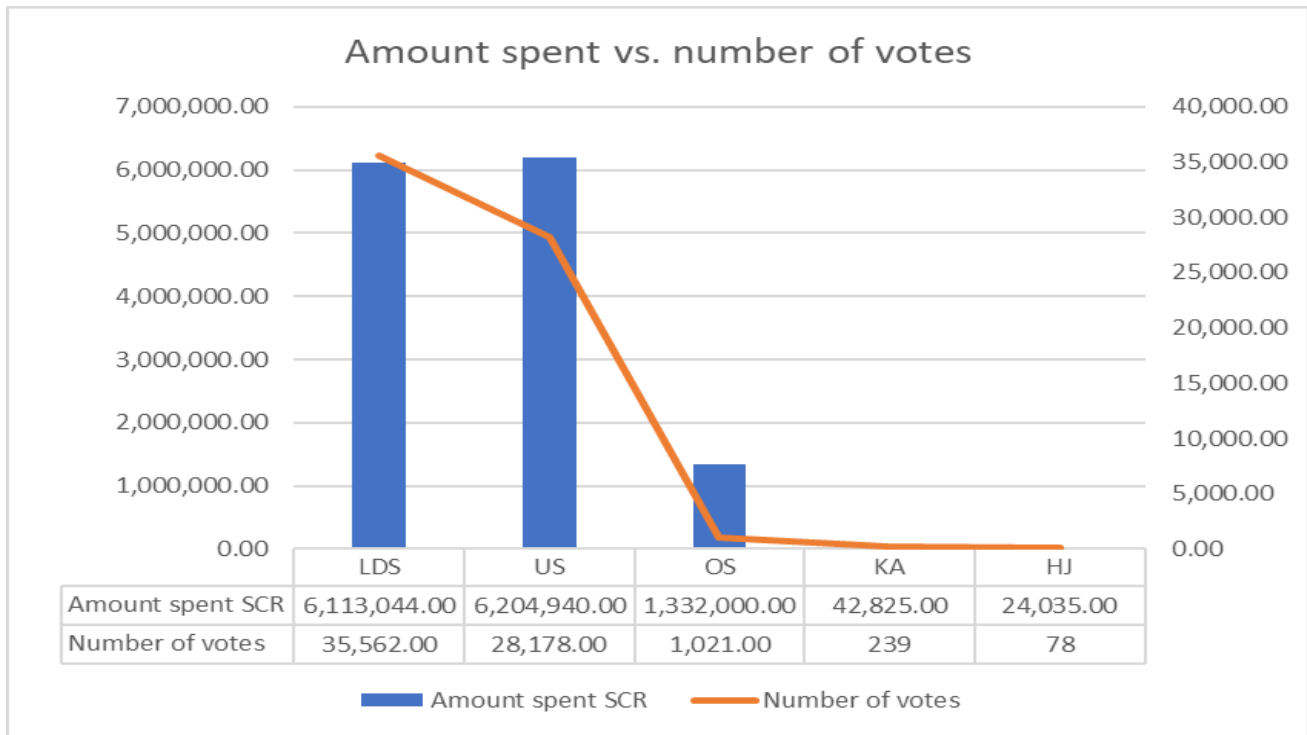
3.2.3 Correlation Pattern observed between Campaign Funds spent and Votes received

Table 3 below displays the votes received per political parties and independent candidates in comparison to the fund spent on campaigning.

In the absence of primarily; research conducted on this subject and secondly; evidence of other influential variables, based only on data received and depicted below, the following observations can be established: -

- a) For independent candidates, the amount of funds reported spent in comparison to votes received is to a certain degree significant. Therefore it can be assumed that there is a correlation with regards to the two variables.
- b) Contrary to point (a) for political parties, on the other hand, in comparing the financial statements, it is evidently clear that there is no significant relationship between the two variables.

Table 3 Amount of Funds spent versus votes received



3.3 Parties/ Candidates in breach of Section 94

Lalyans Seselwa is the only political party in breach of Section 94 for not having submitted the report as required by section 94(2). Despite several initiatives at establishing contact and requesting the submission of the report, Lalyans Seselwa (LS) failed to comply

The Commission did its utmost to establish formal contact with the leader of the party but to no avail.

It has come to the Commission’s attention that the other Office Bearers have resigned from the party and it appears that only the Party Leader remains. The Commission however, is yet to receive a formal communication from the party Leaders on this matter.

It is to be noted that failure to submit the said report consists of an offence under section 94(4) of the Elections Act which is punishable by three years of imprisonment and a fine of SR20, 000.

As for cancellation of the party by reason of this, section 9(1) of the Political Parties Act only provides for cancellation of a registered party where it does not comply with the Political Parties Act itself and this does not extend to non-compliance to other relevant Acts.

The only option of the Commission, in this particular case, is to report the offence to the office of the Attorney General.

4.0 Limitations identified

In the compilation of this report, the Commission observed certain limitations, which can be attributed to the fact that this is the first time that political parties and independent candidates are required to submit such a report, as a result of the 2020 amendment.

The financial statements submitted were either incomplete or not according to the requirements. The Commission, therefore had to request for resubmission in order to capture additional information not covered. Also, to reiterate, there has also been failure in submission of report by one party.

The Commission is of the view that the difficulty is a result of proper record of accounts of all funds received and expenses incurred not being maintained by some candidates and political parties. That is, despite such being a requirement under section 93(3) of the Elections Act. This, therefore, made it difficult for the compilation of the financial reports with the accuracy required.

In addition it was also observed that political parties and candidates were unclear as to the requirements of what is to be included in the report especially following the newly added requirements to disclose identity of persons in respect of whom expenditures have been occurred.

Lastly, the fact that the law is silent on the requirements of the financial statement, in the event of elections being held simultaneously, is also a major discrepancy. As a result, the aggregation of sums provided to the Commission present no distinctions between the two elections.

Therefore, with the exception of the Independent candidates, it is impossible for the Commission to distinguish and determine the amount of money spent in each election, by political parties.

5.0 Political Parties Support Fund

Section 27 of the Political Parties Act creates the “Political Parties Support Fund”, which is a tool aimed towards the promotion of social equality in politics. However, it does not allocate money into the fund and nor does it provide a minimum or maximum sum which must be allocated to the said fund.

On the other hand, Section 28 provides that monies paid into the fund shall consist of monies appropriated by an Appropriation Act which means that the sum paid into the fund is to consist of the sum allocated to it by the annual budget. A sum of SR6, 500,000 is being allocated to the fund annually.

Two political parties, namely the Linyon Demokratik Seselwa (LDS) and the United Seychelles (US), had been receiving quarterly support fund for the past 5 years pursuant to section 29(2) of the Political Parties (Registration and Regulations) Act (Cap 173) as they had contested the 2016 National Assembly election and acquired valid votes.

Lalyans Seselwa and One Seychelles, upon nominating candidates for the 2020 National Assembly election, both qualified to receive a one-off payment from the Fund due to section 29(3) of the Political Parties Act which promote democracy by assisting parties which contested the National Assembly election but are not already receiving support from the said Fund. For 2020, they each qualified for a total of SCR 18,000 approximately.

There is no legal provision that allows for independent candidates to receive support from the aforementioned fund.

6.0 Recommendations

In order to address the limitations identified, the following recommendations are being proposed.

1. That section 94(2) Elections Act is amended to require separate consolidated statements in the event of elections being held simultaneously.
2. That the Electoral Commission circulates a reminder to political parties and candidates taking part in election to familiarises themselves with the requirements of the law.
3. That the Electoral Commission provides adequate information; either through a guideline or appropriate template, of this requirement and the details thereof prior to an election for the benefit of either established and new parties or candidates.
4. That the Commission propose amendment to the law to ensure that all candidates or political parties participating in an election are obligated to have a dedicated bank account for electioneering so as to facilitate the drawing up of the consolidated statement and also to allow auditing, if required.
5. That the above will also oblige them to keep a proper general ledger analysis book consisting of different dedicated votes to record the financial transactions of their expenses and receipts, by recording their financial transactions of the bank account. The copy of the ledger should then be attached as supporting documents upon submission of their trail of balance in compliance with the regulation.
6. That the Commission, through amendment of section 94A of the Elections Act and section 29(3) of the Political Parties Act, allows for a more level field in terms of campaigning funds for independent candidates.
7. The establishment of a framework by the Electoral Commission, consisting of the Financial and Legal Section, to work and support political parties and independent candidates on the requirement of financial reporting so as to ensure compliance with the law.

7.0 Conclusion

The purpose of this report is to assist in improving the accountability aspect in the manner that campaign funds are spent by political parties and independent candidates.

The Commission as the regulating body of the aforementioned must ensure that compliance is maintained and that at the same time appropriate measures are taken in the instance of non-compliance.

Despite the limitations encountered, it is important to note that the Commission received full collaboration of political parties and independent candidates with the exception of the one referred to in section 3.4 of the report.

In concluding, it is evident that this exercise requires a more collaborative approach, to ensure that the rationale is clearly understood by all parties and independent candidates with the desire to contest future elections.