A Thorny Issue: Political Finance in Namibia

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NAMIBIAN POLITICAL FINANCE

An unresolved regulatory question





The issue

SIX POLITICAL PARTIES DEREGISTERED IN 2024

NEFF blames Swapo for legal woes ... They're irresponsible – Herunga

ECN FAILED TO GRANT NEFF AUDIENCE BEFORE PULLING THE PLUG – COURT

ECN admits error in deregistration of CDV and NEFF



The issue

IPC Denounces False Allegations of Foreign Funding Controversy Surrounds Ipc And Its Funding Amid New Leaked Letter

IPC WON'T DISCLOSE ITS FUNDERS - ITULA

BRITISH HIGH COMMISSION DENIES LINKS TO IPC'S LONDON FUNDS



Background

- State started funding political parties with representation in parliament in
 1997 following the issuing of a Cabinet resolution in 1996;
- The system uses a formula applied to the number of votes garnered and seats held by a political party to determine the amount of money that would flow to a specific political party.



Political finance in law

- Electoral Act 5 of 2014.
- Sections 139, 140, 141, 142, 154, 155, 156, 157, 158, 159, 160, 161.
- Government Notice 357 of 2019: Regulations relating to Declaration of Assets and Liabilities of Political Parties and Disclosure of Foreign and Domestic Financing of Political Parties, Organisations, Members or Other Persons.
- Government Notice 275 of 2020: Amendment of Government Notice No. 89 of 1 June 2015:
 Determination of formula for funding of political parties, percentage of unspent monies that may be retained by political parties and ancillary matters: Electoral Act, 2014.



Political finance in law

- Articles 139 to 142 apply to all registered political parties, irrespective of whether they have representation in parliament;
- Articles 154 to 161 apply to only those political parties represented in parliament;
- Articles 139, 140, 141 and 158 obligate political parties to keep proper records, to submit such records to the electoral commission, and to make such records public in prescribed forms and by set deadlines.



Dollars & cents

TAXPAYERS SPLASH N\$590M ON POLITICAL PARTIES... POLITICAL PARTY FUNDING IN 2023

TAXPAYERS GIFT PARTIES N\$181 MILLION



Dollars & cents





Perennial challenges

- Wholesale lack of transparency and accountability;
- Politicisation of the issue;
- Culture of non-compliance;
- Lack of trust in the electoral management body;
- Passive compliance enforcement and oversight;
- Accounting and auditing capacity weaknesses in political parties;
- Oversight institutional arrangement.



Recommendations

- Release of state funds should be made conditional on the satisfactory accounting and auditing of previous state funding to a particular party;
- Oversight of the funding system should be by an independent electoral management body and the Auditor-General should have a role in checking party spending;
- Political parties should strengthen their accounting and financial reporting capacities and develop sound policies regarding internal and external disclosure of financial matters.



Reference links:

Promoting Transparency and Accountability of Political Finance in the SADC Region: https://ippr.org.na/wp-content/uploads/2011/03/Namibia.pdf

Namibian Political Finance - An unresolved regulatory question: https://ippr.org.na/wp-content/uploads/2019/11/Political-Finance-amended.pdf

Political parties non-compliant on financial transparency: https://ippr.org.na/wp-content/uploads/2021/10/PoP-15-web-copy.pdf

Long-standing compliance issues cloud political finance: https://ippr.org.na/wp-content/uploads/2023/02/PoP-19-web.pdf



Contact me





Thank you!

Any questions or comments?

