

**Regulation Concerning the Procedure for
Determining the Apportionment of
Government Financial Support to
Political Parties Regulation
Number 5/2009**

Chapter 1

General Provisions

Article 1. Issuing Authority

The National Electoral Board of Ethiopia has issued this Regulation pursuant to the powers vested upon it by Article 61 of the Revised Political Parties Registration Proclamation No. 573/2008.

Article 2. Short Title

This Regulation may be cited as the “Directive Concerning the Procedure to Determine the Apportionment of Financial Support to Political Parties No. 5/2009”

Article 3. Definition

1. “Registration Proclamation” shall mean The Revised Political Parties Registration Proclamation No. 573/2008.
2. “Board” shall mean the National Electoral Board of Ethiopia.

3. “Political Party” or ‘Political Organization” shall mean an institution registered in accordance with the Registration Proclamation, organizing under it part of the society and having its own political program reflecting its own beliefs and objectives, with a view to taking political power through participating in national or regional political activities in a democratic way.
4. “Government Financial Support” shall mean the support given to political parties by the government in cash, in kind and/or in services during elections or for day to day activities in pursuant to the Registration Proclamation.
5. “Seats held by Political Parties in a Council” shall mean seats held by political parties in state or federal houses to which they had previously been elected.
6. “Election” shall mean a general election.
7. “General Election” shall mean an election to the House of Peoples’ Representatives and to Regional Councils conducted according to the relevant law.
8. “Auditor” shall mean a person who has a professional competence who is appointed by a political party and who is not connected with that political party.
9. “Person” shall mean a natural or juridical person.

10. "Term" shall mean the five year period at the end of which elections are conducted to the House of Peoples' Representatives or to Regional Councils according to the Electoral Law.
11. "Fulfilling the criteria" shall mean being legally registered, nominating one or more candidates, striving for free and fair elections, signing the electoral code of conduct and resolving disputes by lawful means.

Article 4. Scope

This Regulation shall be applicable to political parties that receive support from the government for the purposes of general elections and for the conduct of their day to day activities.

Article 5. Gender Reference

In this Regulation, provisions set out in the masculine gender shall also apply to the feminine gender.

Article 6. Objective

The objective of this Regulation is to lay down a transparent procedure for determining the criteria for the distribution of government support to political parties as well as for its utilization and administration so that political parties could play their part in building a democratic system.

Article 7. Principle for the Distribution of Government Support

1. The support granted to political parties by the government according to Article 44 Sub-Article 1 of the Registration Proclamation shall be rendered equitably and without discrimination.
2. Political parties shall properly and exclusively utilize the financial support granted them by the government pursuant to Article 44 Sub- Article 2 of the Registration Proclamation for the purpose it is intended to.
3. No government financial support shall be requested to cover the expenses incurred for an election that had already been concluded.
4. No political party shall be obliged to be a beneficiary of governmental financial support.
5. Every political party shall operate its accounts according to the law. It shall not expend otherwise than for what is permitted.

Chapter Two

Source and Type of Financial Support

Article 8. Source of Financial Support

The support given to political parties according to Article 43 of the Registration Proclamation or

according to this Regulation maybe from the following sources:

1. Government allocation
2. Domestic or foreign support or aid and
3. Any other source.

Article 9. Type of Financial Support

The Financial support given to political parties by the government according to Article 42 Sub -Article 3 of the Registration Proclamation or according to this Regulation may be:

1. In cash
2. In kind and/or
3. In services.

Article 10. Authority to Distribute Financial Support

1. The type and amount of any financial support given to political parties by the government according to this regulation shall be determined and administered by the Board.
2. The support to be given by the government shall be allocated according to the fomula issued by the Board.

3. The Board shall make known to the political parties the fomula by which it allocates governmental support according to sub- article 2 above.

Article 11. Monetary Support

Where the support given to political parties by the government is in cash, it shall then be directly deposited in the lawful account of the political party and utilized solely for the lawful purpose it is intended to.

Article 12 Financial Support by the Governmen Given in Kind

Based on the choice of the party, the financial support given to it in kind by the government may include the purchase or the printing, as the case may be, of posters, T-shirts, caps, billboard, banner, candidates' symbols, candidates' photographs, computers, printers, photocopy machines, facsimile machines or scanners, fliers, microphones, badges, stickers and flags.

Article 13. Financial Support Rendered in the Form of Services

1. The financial support given to political parties by the government comprises of availing the parties the free use of government meeting halls, rendering mass media services according to the law and rendering of other similar services.

2. According to Article 18 of the Registration Proclamation, any political party:
 - A. shall not pay any kind of income tax on revenue it gets from its members and supporters.
 - B. shall not have the obligation of collecting and transferring to the government income tax payable in accordance with the law in respect of the salaries of its employees.
- 3 The Board shall compute in terms of money, the share of air time given to a political party as part of the total financial support allocated to it according to this Regulation, and inform it thereof.

Chapter Three

Rules Governing the Support Granted by the Government to Political Parties for Purpose of Elections

Article 14. Conditions for Granting Support for the Purpose of Elections

1. According to Article 47 Sub- Article 1 of the Registration Proclamation the government shall grant support to political parties that participate in elections for federal and state councils.
2. For the purpose of this Regulation, expenses for the purpose of elections shall include those expenses incurred for:

- A. the nomination of candidates
- B. for conducting a campaign to publicize its political program to the whole people
- C. conducting civic education widely with a view of making the election free, fair, peaceful, lawful and democratic
- D. training and deploying party agents, and other similar expenses.

3. Financial support granted by the government according to the Registration Proclamation or this Regulation for the purpose of elections shall only be for general elections and for re-elections to the federal and regional councils.

Article 15. Criteria for Granting Support for the Purpose of Elections

According to Article 45 of the Registration

1. Proclamation support granted to political parties during elections shall be apportioned according to:
 - A. the number of seats won a party in the Federal Council during the preceding election where the support relates to an election thereto.
 - B. the number of seats won by a party in the Regional Council during the preceding election where the support relates to an election thereto.

3. Without prejudice to the provisions of sub- article 1 above, the financial support granted by the government shall be apportioned according to the following criteria:

- A. number of candidates nominated by the party
- B. number of female candidates nominated by the party

4 The financial support granted by the government to political parties shall be governed by the formula to be prepared periodically and issued by the Board. The Board shall make this formula known to the political parties and shall solicit their opinion on it.

Article 16. Government Submission of Request for Government Financial Support for the Purpose of Elections

1. Within 15 days of issuing the election timetable, the Board shall announce to the political parties registered to run for an election, through any form of announcement it deems fit the detailed allocation of financial support granted to political parties during elections.

2. Any party that fulfills the criteria to qualify for financial support for the purpose of elections according the Registration Proclamation and this Regulation, shall present detailed information in support of its qualification thereto

and submit its claim pursuant to Article 17 of this Regulation and other relevant articles.

Article 17. Timetable for the Distribution of Financial Support Given to Political Parties by the Government during Elections

1. The financial support granted to political parties by the government during elections shall be distributed according to the following timetable:

A. Any government support given to a political party in kind, shall be distributed within one month of the end of candidates' registration.

B. Any support given to a political party in the form of money based on the number of seats in a council previously held by it shall be distributed within the timeframe laid down under sub article 1 of this article.

C. Any support given to a political party in the form of money based on the number of

candidate and that of female candidates, shall distributed within 15 days of the end of candidates' registration.

D. Any support given to a political party in services, shall be given only from the beginning to the end of the campaign period according to the election timetable issued by the Board.

- E. Without prejudice to the provisions of sub -article 1 (d) of this article, the exemption from income tax granted to a political party pursuant to article 13 sub- article 2 of this Regulation shall not be curtailed.
2. The number of seats in a council indicated in sub-article 1 above shall be verified by a letter issued by the Speaker of the Federal House of Representatives or that of a Regional Council which shall be based on the number of seats obtaining at the time.
 3. No political party shall submit a request for financial support outside the time limit laid down under sub-article 1 of this article.
 4. The request by a political party for the services of government mass media shall be done according to the electoral law and the Directive concerning the Use of Government Mass Media during Elections.
 5. The Board may change the timetable for the distribution of government financial support for the purpose of elections. It shall announce the amended timetable only to those parties that qualify for receiving this support.
 6. Every political party shall have the duty to reimburse the unutilized part of the financial support given to it.
 7. Where a political party withdraws from an election, it shall be made to reimburse the financial support given to it in cash and non-consumable - goods.

Chapter Four

Rules Governing the Granting of Government Financial Support to Political Parties for Day to Day Activities

Article 18. Financial Support for Day to Day Activities

1. The financial support given by the government to political parties for their day to day activities may be in the form of money, in kind and/or services as the case maybe.
2. Any government financial support given to a political party according to article 45 sub- article 1 of the Registration Proclamation, as specified by this Regulation, for the conduct of its day to day activities shall be based only on the number of seats it holds in federal or state houses.

Article 19. Day to Day Activities of a Political Party

According to article 46 sub- article 2 of the Registration Proclamation, the day to day activities of a political party includes the following:

1. developing the political consciousness of the public,
2. agitating to enable the citizens to have active participation in the political activity of the country,
3. acquainting the public with the aims of the party,

4. strengthening the harmonious relationship between the public and government institutions.

Article 20. Criteria for Granting Financial Support for Day to Day Activities

1. It shall be those political parties that have seats in the federal or regional councils who are eligible to receive government financial support for the conduct of their day to day activities.
2. The support granted pursuant to sub- article 1 of this article to political parties shall be based on the number of seats they hold in the federal or state councils.
3. The support granted by the government for the conduct of the day to day activities of the parties shall be governed by the formula to be prepared and presented by the Board from time to time .The Board shall disclose to the political parties the fomula it prepares and solicit their views on it.

Article 21. Timetable for the Distribution of Government Financial Support and Submission of Request thereof

1. Any financial support given by the government to political parties for the conduct of their day to day activities shall be submitted to the Board within a month of the official opening of the sessions of the House of Peoples Representatives and Regional

Councils, respectively. It shall be distributed at similar times every year.

2. Without prejudice to sub article 1 of this article, financial support for the conduct of day to day activities shall not be granted where government financial support is granted for the purpose of elections.
3. Based on the request submitted to it pursuant to sub- article 1 of this article, the Board shall give financial support to the party that has made the request within a month of receiving the request.
4. The number of seats indicated under sub- articles 1 and 2 above shall be verified by a letter issued by the Speaker of the Federal or a State Council respectively based on the number of seats obtaining at the time.
5. No political party that qualifies for financial support for the conduct of its day to day activities shall submit its request either before or after the time indicated in sub -article 1 of this article.
6. If it finds it necessary, the Board may change the timetable for the distribution of government financial assistance for the conduct of day to day activities laid down in this regulation. It shall disclose the amended timetable to all the parties that qualify for the support.

Article 22. Discontinuance of an Already Granted or Yet to be Granted Government Financial Support for the Purpose of Elections or the Conduct of Day to Day Activities

1. Financial support granted to political parties for the purpose of elections or for the day to day activities, shall be totally or partially discontinued where the party ceases to fulfill the criteria laid down under article 45 sub article 1 of the Registration Proclamation or by a decision of the Board rendered according to the law or by a decision of a court.
2. According to article 45 sub -article 3 (b) and (C) a political party:
 - A. shall not utilize the support granted it from the date it ceases to fulfill the criteria
 - B. shall reimburse the financial support within one month where it ceases to fulfill the criteria according to sub- article 2(A) above.

Chapter 5

Books of Account of a Political Party and Submission of Reports

Article 23. Books of Account

1. According to article 48 sub -article (A) of the

Registration Proclamation a political party that receives a grant from the government for the purpose of an election or for the conduct of its day to day activities shall as the case maybe:

- A. enter the support it receives in specific books of account.
 - B. deposit the money granted to it in a separate bank account.
2. A political party that receives government financial support for the purpose of an election or for the conduct of its day to day activities shall not utilize it otherwise than for its designated purpose, nor shall it expend it outside the permissible expenditure.
 3. Where the financial support granted to a political party is money, according to article 48 sub-article (C) and (D) of the Registration Proclamation, it shall:
 - A. enter its expenditures by listing them under every expenditure heading
 - B. make the amount granted it and the particulars for which it has been expended to be audited in the financial year, according to the Registration Proclamation and in line with the financial laws of the country.

Article 24. Submission of Reports

1. According to article 55 sub -article 4 of the Registration Proclamation, every political party

shall have the duty to account to the Board that all its expenses are made for the designated lawful purpose and activity.

2. Every political party that receives government financial support shall:
 - A. submit an audited report to the Board concerning the government financial support in accordance with the Registration Proclamation on the third month after end of the budget year where the financial support relates to the conduct of its day to day activities;
 - B. submit an audited report to the Board concerning the government financial support within three months of the announcement of the result where the support is for the purpose of an election.
3. Without prejudice to the provisions of article 54 and 56 of the Registration Proclamation every political party auditor who, during his audit concerning the financial support given to a political party pursuant to this Regulation, finds that the support has been illegally spent or that it has not been utilized shall mention the fact in the audit report he submits to the party.
4. The report every political party submits under this article shall include a certified copy of the party auditor's report and relevant comments thereon.

Article 25. Responsibility of the Federal Auditor General

1. The Federal Auditor General shall audit the utilization of any government financial support given to a political party on his own initiative, or when he is ordered or requested by a relevant body.
2. The Federal Auditor shall submit to the Board his findings and the necessary explanation thereon as regards the accounts he audited according to this article.

Chapter Six

Miscellaneous Provisions

Article 26. Report Submitted to the House of Peoples Representatives

1. The Board shall submit a report to the House of Peoples Representatives concerning the support granted to political parties shortly after the end of the fiscal year. The report shall include:
 - A. the total amount of funds allocated by the government for supporting the parties during the fiscal year including those funds obtained from other sources;
 - B. the amount of support allocated to each party during the fiscal year;

- C. the amount of lawful expenses made by each party during the budget year;
 - D. the balance of accounts at the end of the budget year.
2. The Board shall transmit to the Audit General the audit report, the book of accounts and the financial statement.
 3. Within thirty days of receiving the audit report, the accounts auditor shall send it to the House of Representatives after attaching the Auditor General's report thereto.

Article 27. Accountability

Every political party or political party auditor is expected to implement the provisions of the Registration Proclamation, or the provisions of this Regulation. If he fails to implement it properly, he shall be held accountable according to the Registration Proclamation, this Regulation or other relevant legislation.

Article 28. Penalty

1. Any political party that utilizes the financial grant rendered to it by the government for the purposes and activities other than what it is intended for, or does not submit a report within the stipulated time or presents a false financial document, or is in default of his obligations in relation to the grant:
 - A. the support granted to the party may be reduced or terminated;

- B. the party may be fined, suspended or dissolved according to the penal law;
 - C. the party may be cancelled from registration, or
 - D. the leader or leaders of the political party may be fined or sentenced.
2. The penalties provided in sub article 1 of this article may be executed concurrently or consecutively.
 3. The political party may be compelled by the Board, through set -off or court suit, to reimburse the expenses it improperly made.
 4. Any person who obstructs the implementation of this Regulation or contravenes its provisions shall be punished according to the relevant law.

Article 29. Duty to cooperate

Every person shall have the duty to cooperate with a political party, political party auditor, Auditor General or the Board when they are discharging their duties under this Regulation or any other law.

Article 30. Repealed Regulations or Practices

Any Regulation or practice shall not be applicable to matters covered by this Regulation.

Article 31. Effective Date

This Regulation shall come into force on July 20, 2009.

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