



Namibia

Acknowledgements

It is without doubt that any research project of the subject, scope and magnitude, not to mention the sensitivity of the topic, of one such as this requires individuals, and organisations willing to set aside their time and devote their skills, knowledge and contacts in the hope of seeing some change or improvement of a particular situation at some point down the road.

In this regard, the ad hoc team assembled to undertake this assignment has been exemplary in the performance of the commissioned task. Thus, here I would like to thank Naita Hishoono, who with her soft-spoken manner and wealth of experience, not just in the field of research, but of the Namibian political context, made light work of the logistical and organisational challenges encountered during the conducting of the various survey phases, specifically during the organisation and facilitation of the focus group discussions. For his part, Elvis Muraranganda, a good-natured and relative newcomer to the sphere of serious research, was there when he needed to be and came through when it was required. Tatenda Malan, our enthusiastic intern, acquitted himself commendably with the decidedly unenviable and often tedious task of doing follow-up phone calls. The contributions of these three individuals I cannot be more grateful for.

Given the compressed timeframe within which this research project had to be undertaken and completed, it would be remiss of me not to especially thank the Institute for Public Policy Research (IPPR) and the Namibia Institute for Democracy (NID) for providing and serving as the logistical bases, as well as availing staff and resources, to this project. Without the capacity of organisations such as these, topics such as political party finances, along with a whole host of others, would not be treated and unpacked with the incisiveness such topical issues deserve in order to facilitate change or stimulate broader discussion. It is only through the dedication to task, often thanklessly, of organisations such as the IPPR and the NID that influential discourse of socio-political issues is given rational foundation. I would especially like to thank the Executive Directors of these two organisations, namely Graham Hopwood and Dr Justine Hunter, respectively, for their activeness as advisors. And NID Regional Director, Theunis Keulder, should be commended for his early involvement in the research, as well as for being the initiator of this project in Namibia.

Also, it would be callous of me not mention and thank, even if only broadly, all those professionals, experts in some way in their various fields and interested observers and commentators, who realised this research was important enough for them to make time for interviews, discussions or just respond to the queries forwarded their way. Their contributions are what inform all the conclusions drawn and recommendations made in this report.

Of course, none of this would have been possible if it hadn't been for Transparency International (TI), not just for the overall funding of this research project, but also for designing the methodology to guide and focus its outcomes. TI's initiative, not just in Namibia but everywhere else this research has been conducted, stands as a testament of its commitment to the ideals of transparency and accountability at global, regional and national levels.

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1. Introduction

The influence of money, in whatever form it takes, has become an important determinant in political outcomes, whether electoral or non-electoral, and regardless of the country or region. Funding of political parties and politicians, for those who can afford and are inclined to, has become a way of exercising support and building and maintaining allegiances. On the other hand, given the murkiness of politics in general, the funding of political parties has arguably also become a way of buying influence and a down-payment on gaining long term and exclusive access to resources, which is speculatively probably the case in many new and emerging democratic societies.

It is thus not surprising that in countries with weak statutory frameworks and institutional capacities, along with the general absence of a culture of openness, to monitor and regulate the influence of money on political processes, political donations and political party finances in general have become shrouded by suspicions of influence peddling and political agenda manipulation.

Citizens have the right to judge the integrity of their leaders and know about the connections their representatives have with financial supporters. Nontransparent financial donations from specific interest groups have often resulted in the downfall of governments, leaving countries in disarray. Transparency in political finance is considered a powerful tool to reduce the influence of money and corruption in a country.

Transparency International (TI) is a global civil society organisation leading the fight against corruption worldwide. Among its many priorities are research, communication and campaigns, concerning, for example, the United Nations Convention against Corruption (UNCAC). TI has been striving to develop strategies and tools for benchmarking transparency in political finance and to contribute to the strengthening of the capacity of stakeholders to introduce and enforce appropriate reform processes needed to enhance transparency in this vital area.

In doing so, in 2006-2007, TI successfully piloted Crinis, a study, benchmarking and advocacy tool, in eight Latin American countries, triggering a series of debates and reforms at country and regional levels. ‘Crisinis’ is a Latin word meaning ‘ray of light’. The project assesses levels of transparency and accountability in political parties and election finances looking at laws and practices in participating countries. Following its success from the diagnostic work on political finance in Latin America and Asia Pacific, the NURU Project was launched to explore the possibility of replicating the same in Africa. NURU is a Swahili word meaning ‘ray of light’.

1.2 Politics and Political Parties in Namibia

The Republic of Namibia officially came into existence as an independent state on 21 March 1990 after general elections in November 1989, following a brutal and protracted war of liberation of more than 20 years against occupation by Apartheid South Africa.

Riding the wave of popularity due to its role as liberator of the country, the then South West Africa People’s Organisation (Swapo) was installed as the ruling party, with a clear majority, in the Constituent Assembly, which later became the National Assembly of the Republic of Namibia. With the coming into force of the Constitution of the Republic of Namibia on 21 March 1990, the principle of a multiparty participatory democracy was established through Article 17 (1) under Chapter 3 of the Namibian Constitution, which states: “All citizens shall have the right to participate in peaceful political activity intended to influence the composition and policies of Government. All citizens shall have the right to form and join political parties and ... participate in the conduct of public affairs, whether directly or through freely chosen representatives”.

However, while the principle has been enshrined, multipartyism has never been very vibrant, and the rebranded Swapo Party of Namibia has returned two-thirds parliamentary majorities every five years since the National Assembly elections of November 1994, effectively reshaping Namibia as a one-party dominated democracy.

This state of affairs was helped along, since the late 1990s, by the splintering of once seemingly formidable opposi-

tion political parties, such as the Democratic Turnhalle Alliance (DTA) of Namibia, into ethnic or cultural group-based political organisations, which has considerably weakened opposition politics in the country, by relegating most political parties to the fringes and solidifying ethnic divisions on the political landscape. As it stands, only the Swapo Party can probably still rightfully claim to represent a broad cross-section of Namibian society.

With the cementing of the Swapo Party’s grip on national politics since independence, opposition political parties have struggled to maintain national public profiles. With only small and dispersed support bases to turn to, the decline of most opposition parties has consequently impacted on their financial standing. At the same time, national political, and to a lesser extent economic, power has become centralised around the Swapo Party.

Over the years the issue of corruption has become ever more strident on the political landscape, with continuous allegations and accusations of abuse of state resources for party political ends dogging the Swapo Party.

Corruption scandals involving state resources and senior government officials and ruling party members, as well as a smattering of cases involving opposition party members, have been exposed by the media, which to an extent has engendered the perception that Namibian politics, including the opposition ranks, had become corruption compromised.

The Namibian political landscape was shaken up in late 2007 when a break-away opposition political party, the Rally for Democracy and Progress (RDP), was formed by former senior, and Cabinet level, Swapo Party members. With the emergence of the RDP, Namibian politics has seen a growth in political intolerance and even sporadic violence ahead of the November 2009 National Assembly and Presidential elections, which installed the RDP as the new official opposition in the National Assembly (replacing a previous breakaway from Swapo – the Congress of Democrats).

At the time the research was conducted and this report written, the outcome of the November 2009 National Assembly election was being disputed in the Namibian Supreme Court by nine opposition political parties, led by the RDP, alleging widespread electoral fraud by the Electoral Commission of Namibia (ECN) in favour of the ruling party. A High Court decision to dismiss the case on various technical factors was challenged in the Supreme Court by nine opposition parties and judgement was still reserved at the time of writing.

1.2 Rationale of the Study

It goes without saying that political parties do not exist in and of themselves but rather were and are born of a broad or narrow social need to articulate and give voice to diversified concerns and aspirations of varied sectors within any given society. Thus, theoretically, responsiveness towards the best interest of a society as a whole is inherently suggested and taken for granted. However, modern political parties appear to have divorced themselves to some extent from this implicit mandate and become largely centralised power bases from whence largesse is dispensed, sometimes in the form of diverted state resources. Such resources are distributed to those in favour.

Literally and figuratively, political parties in many countries have become the perceived apex of corruption. In its 2009 Global Corruption Barometer, Transparency International (TI) found that, across 69 countries globally that “respondents perceived political parties as the single most corrupt domestic institution”.

Against this background, Namibia is ranked at 56, out of 180 countries, on TI’s 2009 Corruption Perception Index (CPI). The fact that the country is ranked just inside the best third on the CPI is heartening, but at the same time suggests that downward slippage is an ever-present possibility.

The 2008 Afrobarometer Survey in Namibia found that 15 percent of 1,200 respondents countrywide believed that most members of parliament (MPs) were corrupt, while 4 percent believed that all MPs were corrupt. Government officials, the police and regional and local authority representatives were all rated as more corrupt than MPs.

In this context, Namibian political parties have never been the most transparent or accountable, not even to their own memberships, while at the same time propounding these principles high and low. It is a common occurrence to hear opposition political parties accuse the ruling party government of not being transparent and accountable, and vice versa.

In illustration, in the 20 years of Namibian independence, none of the country's political parties, of which 13 participated in the November 2009 National Assembly and Presidential elections, have ever released complete and comprehensive audited accounts, not even to their own memberships, effectively making political party finances a ever-present dark spot on the political landscape.

Given the politically-connected corruption scandals which have become public over the two decades of independent Namibia, and the increased centralisation of power, not just within the ruling party but all political parties, it would not be far-fetched to suggest that Namibian political parties are to some extent viewed suspiciously within the context of the national corruption discourse.

In what can be viewed as aggravating circumstances, since 1997, following on a Cabinet decision from 1996, money from state coffers has annually been distributed to political parties represented in the Namibian Parliament, with around N\$200 million of government revenue having been disbursed to political parties over the last decade or so. Astoundingly, this is done in the absence of a legislated regulatory framework, and Namibian political parties remain some of, if not the only, institutional entities operating in such a legislative void. The only Act of Parliament which in some way addresses the issue of political party finances or funding is the Electoral Act of 1992, along with its subsequent amendments, which in Section 46 deals with the disclosure of foreign funding to a political party. Under Section 46, political parties are obligated to disclose foreign funding, although it does not state what form disclosure should take, and in Section 98 penalties, a fixed monetary sum and/or multi-year imprisonment, for non-disclosure are outlined.

Over the last decade, senior political and government figures have sporadically stated in public that a more coherent and comprehensive statutory environment would be created to monitor and regulate political party finances. Amongst other such statements, in June 2004, the late Speaker of the National Assembly, Dr Mose Tjitendero, categorically stated that government was to introduce regulations at the start of the 2005 financial year obligating political parties to make public their financial accounts and have them audited by the Office of the Auditor General. Suffice to say, this never happened. As recent as late June 2010, the Director of the Namibian Anti-Corruption Commission (ACC), Paulus Noa, in a submission before parliament, once again recommended that political parties receiving taxpayers' money from state coffers should be audited by the Auditor General, describing the current environment as being "tantamount to money laundering". This followed a news report in which Namibian Prime Minister Nahas Angula had called for reform of the system. The ACC recommendation was conditionally supported by leaders of various opposition political parties.

However, as at end July 2010, Namibian political parties remained non-transparent and unaccountable with regard to their finances and funding.

1.4 Objectives of the Study

The major objective of the NURU project is to contribute to the strengthening of the legitimacy and credibility of democratic institutions by increasing the levels of transparency and accountability in political finance systems in southern Africa.

The purpose of the NURU project is twofold: it assesses the legal framework and the practices relevant to transparency of political finance in the country concerned. Based on this assessment, it will develop policy tools and actions to advocate for reforms to improve transparency of political and electoral finance. The objectives of the project, in particular, are to achieve:

- (a) A higher level of awareness among key stakeholders about the nature and location of corruption risks in the political finance system; and
- (b) A greater willingness among these key stakeholders to promote reforms and meaningful policy change in the political finance system.

This can be achieved by generating detailed information on the strengths and weaknesses of the existing political

finance systems; and secondly by encouraging different groups of stakeholders to embrace their respective roles and participate actively and constructively in a dialogue towards reform.

1.4 Methodology

Data Sources

The data to construct the NURU index, into which NURU data is fed, comes from both primary and secondary sources. Primary sources of data include research on practices as verified by the study team, tests of accessibility of information on political finance, and information gathered from professionals and experts on political finance. Secondary sources of data include documents on the legal framework with regard to political finance.

Data Collection Methods

Different methods were used for collecting data and verifying the practice. These included letters to stakeholders including the Office of the Auditor General (AG), central offices of political parties, media houses, donors and other groups, requesting information regarding political finance; assessing the level of receptiveness of these institutions to demands for information from civil society organisations on political finance in the country; access to information on political finance by groups of citizens (including citizens and students) to test the degree of difficulty to obtain it in practice; and interviews of key stakeholders: party accountants, auditors, donors, and other relevant experts. The information was collected through six different steps and uploaded to the web-based questionnaire of the TI secretariat for calculation and developing various indices of political finance. The six different steps of information collection were:

Step 1

Provide general information about the political finance system of the country with information to adapt the questionnaire to the local context.

Step 2

Provide information about the legal framework of the political finance system in the country. The sources were laws and regulations, norms and codes, and data gathered from professionals and specialists on political finance.

Step 3

- Analyse documents and other sources of information, about reporting and disclosure on political finance by parties and candidates, evaluate the performance of the social and state control agencies and the effective application of sanctions.
- Contact in writing the relevant agencies in the country, the members of political parties, donors and other groups, requesting information regarding political finance, to evaluate the receptiveness of these institutions to demands from civil society on political finance in the country.
- Access information about political finance in the country by a group of citizens and students to test the degree of difficulty in obtaining it in practice.

Step 4

Poll different groups. The questionnaire was directed to key stakeholders in the field of political finance, namely:

- Party accountants
- Auditors and directors of state control agencies
- Donors to political parties and non-donors from the private sector
- Representatives of monitoring organisations, members of academia, and journalists, all with expertise on political finance

The objective of the polls is to evaluate how political finance works in practice, according to the knowledge and analysis of these stakeholders. However, in Namibia the research team did not have access to party accountants and auditors and directors of state control agencies, or to donors and non-donors.

Step 5

Validation of data. After completing data collection, the results are processed through three different types of “quality control”:

- a) Review of the submitted data
- b) Review of the local study (procedure and results)
- c) Presentation of the results in a workshop, with the participation of specialists.

Step 6

Connect the components of the NURU project. The NURU project is made up of two main components:

- a) Collection of information by the study team, and
- b) Planning and execution of the programmes and actions on the reform of the political finance system under the national TI chapter or an affiliate organisation.

In summary, the data for the Namibia study was collected from December 2009 to May 2010. Letters seeking information from stakeholders were sent in April 2010. And field tests probing access to information by citizens and students were conducted in mid April 2010.

1.5 Scope

The study looked at the non-election year of 2008 for political parties and the election year of 2009 for election to the National Assembly (NA). The issue of political finance in Namibia is not a new one, but given the paucity of available information and the fact that candidates to the NA are elected through the proportional representation system, the scope of the study was limited to the finance of the parties, and not individual electoral candidates. The analysis is basically focused on the concerned electoral laws and rules applicable as at and through 2008 and 2009.

For the purposes of the present study, only six political parties were selected, namely: The Swapo Party of Namibia; the Democratic Turnhalle Alliance (DTA) of Namibia; the Congress of Democrats (CoD); the Rally for Democracy and Progress (RDP); the United Democratic Front (UDF), and; the National Unity Democratic Organisation (Nudo).

1.6 Method of Assessment of the Level of Transparency and Accountability of Political Finance

The NURU project recognises three different types of political financing:

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

The methodology involves examining the regulatory framework to compare it to internationally recognised principles

on political financing and also compares what happens in practice, by testing access to information, party by party, and candidate by candidate. By providing thorough diagnosis of the legal framework and practice, it provides strong empirical evidence, which allows all stakeholders to get a clear picture of areas, in which reforms are most needed.

The methodology allows quantifying the transparency of political finance activity by using ten dimensions: (1) Internal bookkeeping examines the way in which political parties internally manage their financial resources, (2) reporting to the electoral management body - evaluates the extent to which parties or candidates report to state oversight bodies, (3) disclosure of information to the citizens takes a look at the public's access to information on political finance. The next three dimensions, (4) comprehensiveness of reporting; (5) depth of reporting and (6) reliability of reporting centers around the nature of data furnished in the financial reports and helps 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) address monitoring compliance with established rules and regulations. These include 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.

The quantitative index is calculated by averaging all ten dimensions, each of which is given the same weight in the calculation. A weighted average based on three types of financing is made to calculate a total.

The information uncovered through a broad spectrum of sources and a variety of different research methods makes it possible to bring together more than 140 evaluation indicators. The scale for each indicator ranges from 0 to 10, where 10 indicates that a country fulfils all criteria expected in terms of transparency and accountability and 0 indicates no fulfillment of criteria. Scores between 0 and 10 are grouped into three evaluation categories: insufficient (0 to 3.3), regular (3.4 to 6.7) and satisfactory (6.8 to 10). A more detailed explanatory note on calculating NURU final scores is presented in Annex 6.

1.7 Challenges Encountered

While giving the appearance of courtesy and co-operation, it has to be said that the six political parties, with the qualified exception of one, the UDF, were generally unhelpful and information requested was not received, while in some instances the research team was sent from pillar to post without obtaining any results. In general the research and the research team were viewed with a fair amount of suspicion, and representatives of one political party, the RDP, stopped just short of accusing the researchers of being ruling party spies. With regard to donors, or suspected donors, requests for information were in some cases flatly ignored and in others the researchers were brushed aside with polite refusals to be of any assistance, and in one instance the information request was acknowledged and assistance bluntly refused.

Even government departments or agencies approached for information either ignored the requests or failed to respond within the research timeframe, while having verbally undertaken to be of assistance. The general attitude displayed towards the research is indicative of a culture of silence and secrecy, not only with regard to political party finances, which has come to shroud Namibian political and economic spheres.

Thus, in the absence of verifiable information, most of the information gathered for this research can only be viewed as anecdotal.

2. Namibia's Legal Framework for Political Finance

With the exception of the Electoral Act (Act 24 of 1992), there are no laws on the Namibian statute books dealing explicitly or specifically with the issue of political party finance, and even the Electoral Act falls short of being robustly comprehensive in addressing the issue.

That said, the Electoral Act of 1992 merely deals with the issue of foreign funding of political parties, as follows:

Section 46 Disclosure of foreign financing of political parties

(1) No political party or other body or institution or any member of such party, body or institution and no other person shall from outside Namibia receive within Namibia, or bring or cause to be brought into Namibia, any money or anything which can be cashed or converted into money, which on the ground of a donation or on any other ground, is intended to be used, or in the discretion of such political party, body, institution, member or other person may be used, to further the interest of any political party or the candidature of himself or herself or any other person who has been nominated or may be nominated as a candidate for any election under this Act, or to canvass or combat any aim or principle of a political party, unless such money is disclosed to the public within such period after having received it and in such manner and subject to such conditions as may be prescribed.

(2) If any political party, body, institution, member or other person uses any money referred to in subsection (1) in contravention of the provisions of that subsection or fails to comply with any requirements or conditions in terms of that subsection, the provisions of section 41(b) shall mutatis mutandis apply in relation to the political party in question, unless it is proved to the satisfaction of the Commission that the money was so used by such body, institution, member or other person without the knowledge, sanction or connivance of that political party.

While the Act does not outline what “prescribed” form disclosure should take, Section 98 of the Act details the punishment in the event a political party is found to have transgressed under Section 46, as follows:

Section 98 Offences in connection with foreign financing of political parties

Any person who contravenes any provision of section 46(1) or fails to comply with any requirement or condition prescribed thereunder shall be guilty of an offence and on conviction be liable to a fine not exceeding N\$12,000 or to imprisonment for a period not exceeding three years or to both such fine and such imprisonment.

Against this backdrop, in June 2003, the ruling Swapo Party received a donation of US\$30,000 (about N\$240,000 at the time) from the Chinese Communist Party. The Swapo Party called a press conference shortly afterwards at which the donation was publicly disclosed. Congress of Democrats President Ben Ulenga has told the press that his party has received foreign donations from the UK Labour Party, the Westminster Foundation, the Olaf Palme Foundation, and the Swedish Labour Party.

However, over the last decade or so, the issue of foreign funding has become a subject for political mudslinging, with the ruling party having accused various opposition political parties, and vice versa, of being foreign funded, without the accuser producing proof or the accused opening up their books or accounts to disprove such allegations.

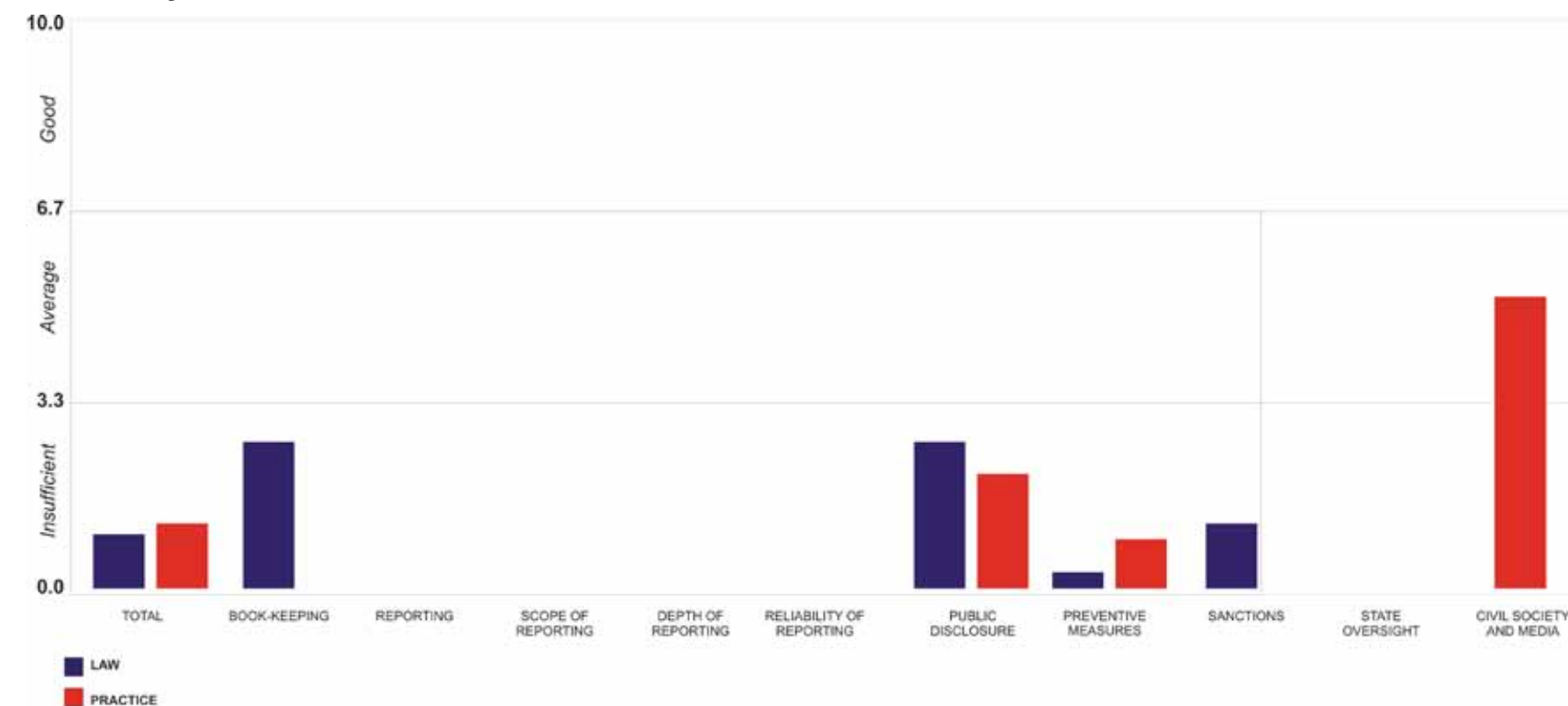
This aside, while the issue of foreign funding is in some way legislatively addressed in the Electoral Act, the issue of domestic funding, whether electoral or non-electoral, of political parties along with their financial standing as public entities languishes in a legislative and regulatory vacuum. The sum total in effect is that political parties are not statutorily obliged to keep or produce any complete and comprehensive audited financial accounts or to disclose any such accounts to any authority or agency of the state.

3. Findings of the Study

3.1 NURU Index for Namibia

According to NURU methodology, Namibia’s mean score is 1.0 (it is termed ‘insufficient’). Among the dimensions,

only civil society and media oversight (mean score 5.0) could be termed as ‘regular’. On the other hand, scores for other dimensions: book-keeping (mean score 1.3), reporting (mean score 0.0), scope of reporting (no mean score), depth of reporting (mean score 0.0), reliability of reporting (mean score 1.1), public disclosure (mean score 2.3), preventative measures (mean score 0.6), sanctions (mean score 0.5) and state oversight (mean score 0.0) indicate ‘insufficient’ in practice.



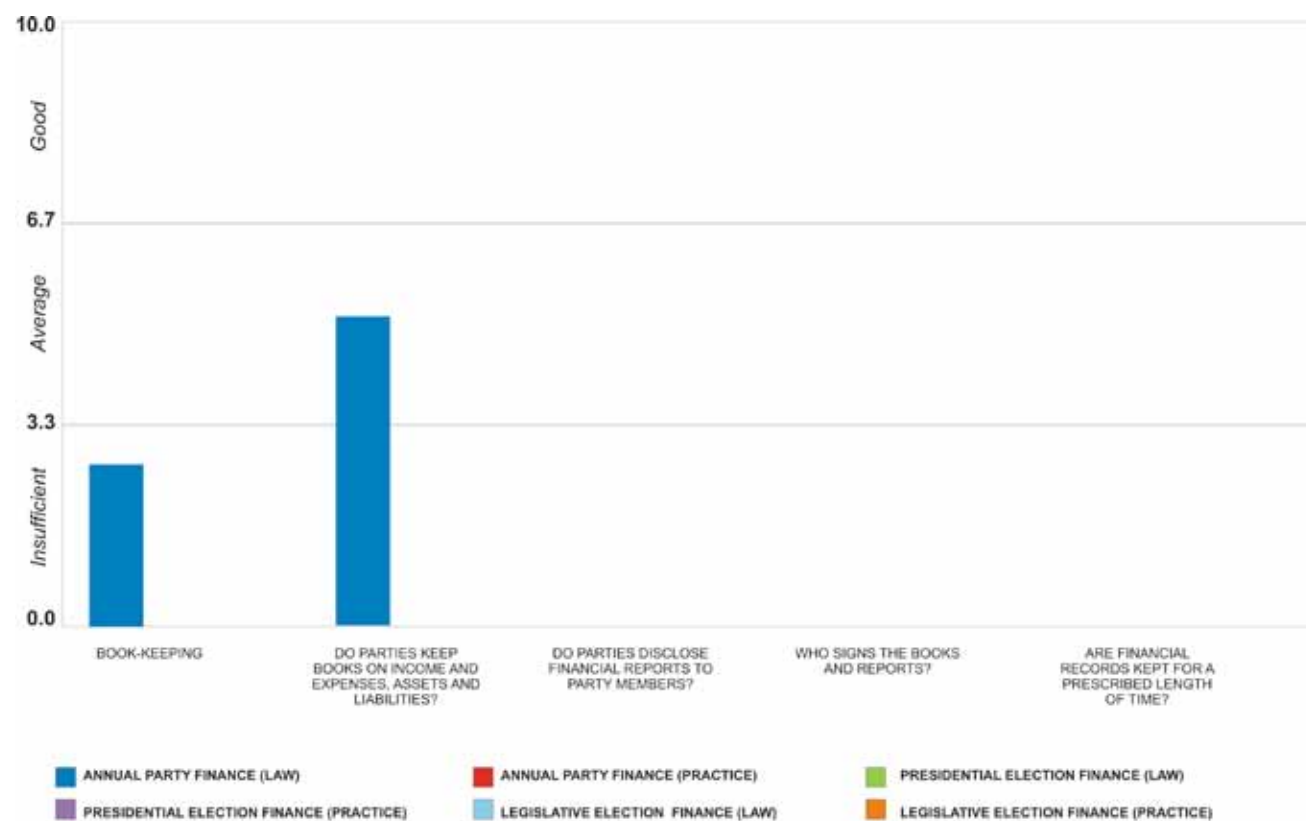
Graph 1 (Law and Practice) ... Namibia scored ‘insufficient’, in both law and practice, across all dimensions, except civil society oversight, which contributed to a very low overall country score of 1.0.

It has to be stated that Namibia’s mean score is amongst the very lowest across the continents and regions where this research has been conducted since 2006.

In the following section, each dimension of Namibia has been explained.

Dimension 1: Political parties’ and internal book-keeping

Namibia scored a very low 1.3 (insufficient) on this dimension because no law exists compelling political parties to keep complete books of their accounts or to maintain a registry of assets and liabilities, as well as obliging them to have their books and accounts audited by a certified auditor, and to regularly publicly disclose such accounts and registry.



Graph 2 (Book-keeping) ... The low score illustrates here that political parties were not forthcoming with financial details and accounts.

Some political parties surveyed, namely the UDF and RDP, said they maintain some sort of financial accounts and a registry of assets, but all were unforthcoming when requested to provide copies of such documents for the relevant years, thus the existence of such documents, as well as the nature of the book-keeping, could not be verified. Most political parties simply did not acknowledge the existence of books of accounts.

However, the fact that there was any score at all is due to the fact that political parties surveyed appear to have the internal structures, such as a treasurer or, more commonly, a Secretary of Finance in place to be able, in theory, to ensure the keeping and maintaining of books of accounts and to have them signed off, as well as to be able to undertake disclosure.

Given the culture of non-disclosure, due to the lack of legislation, not even paid-up party members appear to have access, or ever had, to the accounts of political parties surveyed.

Dimension 2: Reporting

The mean score of 0.0 under this dimension is a reflection of the fact that there is no law requiring political parties to submit regular income and expenditure statements to any state agency or authority. In effect, there is no legal provision obliging political parties to keep or maintain any financial accounts or books at all.

As earlier illustrated, political parties are only obliged to disclose the reception of foreign funding. Even so, given the lax and undefined prescription for even this disclosure, such a disclosure does not have to be part of a general disclosure of financial accounts, but merely a statement that such funding was received without even having to produce proof of the veracity of such a statement.

This non-disclosure also encompasses donors or any other entities, including the media, who do not have to report any donation, monetary or in kind, or any other dealings with political parties to any state agency or authority.

Dimension 3: Scope of reporting

This dimension could not be scored due to the fact that political parties did not or could not provide books of accounts and expenditures or simply ignored the request, thus no verification was possible.

One political party, the UDF, however, admitted that they do not use certified accountants and that their books were not up to date, but did not provide details, while another, the RDP, outrightly stated that records of private donations and donors are not kept, due to security concerns.

Dimension 4: Depth of Reporting

Once again, the mean score of 0.0 (insufficient) reflects the lack of legal provisions requiring political parties to keep and maintain books of accounts and expenditures and the fact that none of the political parties produced such documents when requested to.

Also, none of the political parties responded to the request for names and details of their accountants/auditors, with only one, the UDF, stating that they do not make use of certified accountants because they could not afford such professional services.

Dimension 5: Reliability of reporting

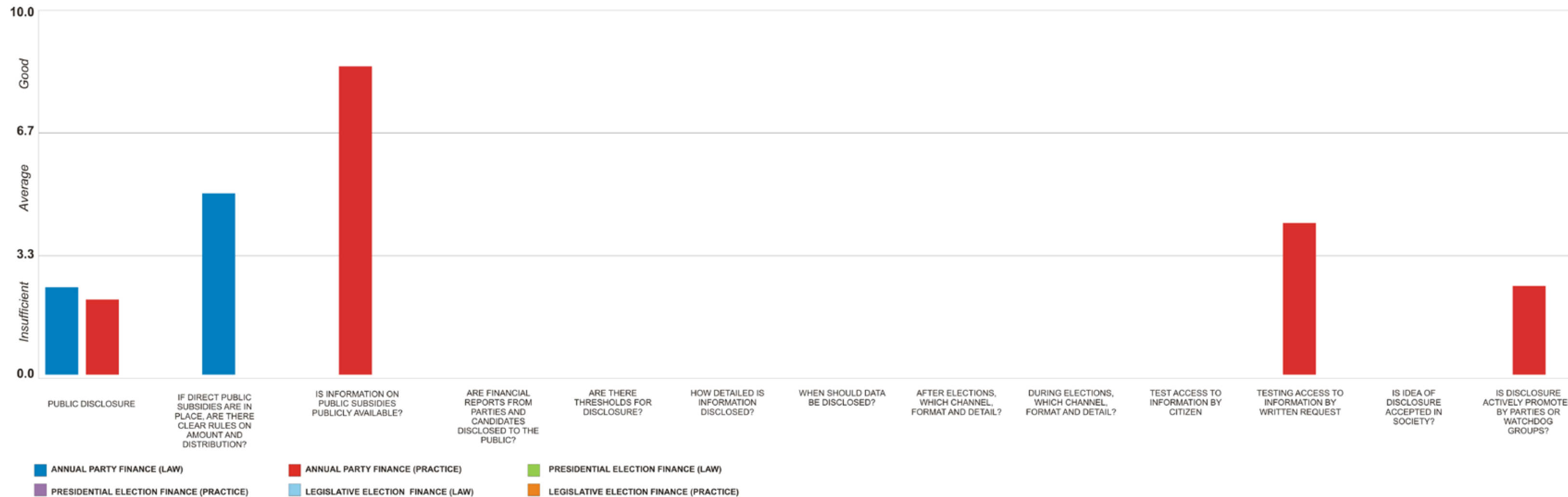
This dimension could not be scored because no reports were obtained from political parties to verify the reliability of reporting.

This dimension mostly reflects the opinions of various experts and knowledgeable commentators and observers on the subject of political party finances. Given the fact that no-one has had access to the financials of political parties in independent Namibia, the consensus was that the reliability of reporting was non-existent and control mechanisms, where they do exist, were extremely weak and ineffective. It is simply impossible to obtain accurate, or any other, information on political party finances.

However, the near unanimous opinion is that political parties, especially opposition political parties, view this dispensation, of non-reporting and weak mechanisms, as in their favour as the fear exists, which was bluntly voiced by one opposition political party, that the ruling party government may use information on donations against the opposing parties and their donors.

Dimension 6: Disclosure of information to the public

Here the mean score was 2.3 (insufficient). Namibia, being one of a number of countries where political parties represented in parliament receive funding from state coffers on an annual basis, does have the basic detail of this funding reflected in National Budget documents.



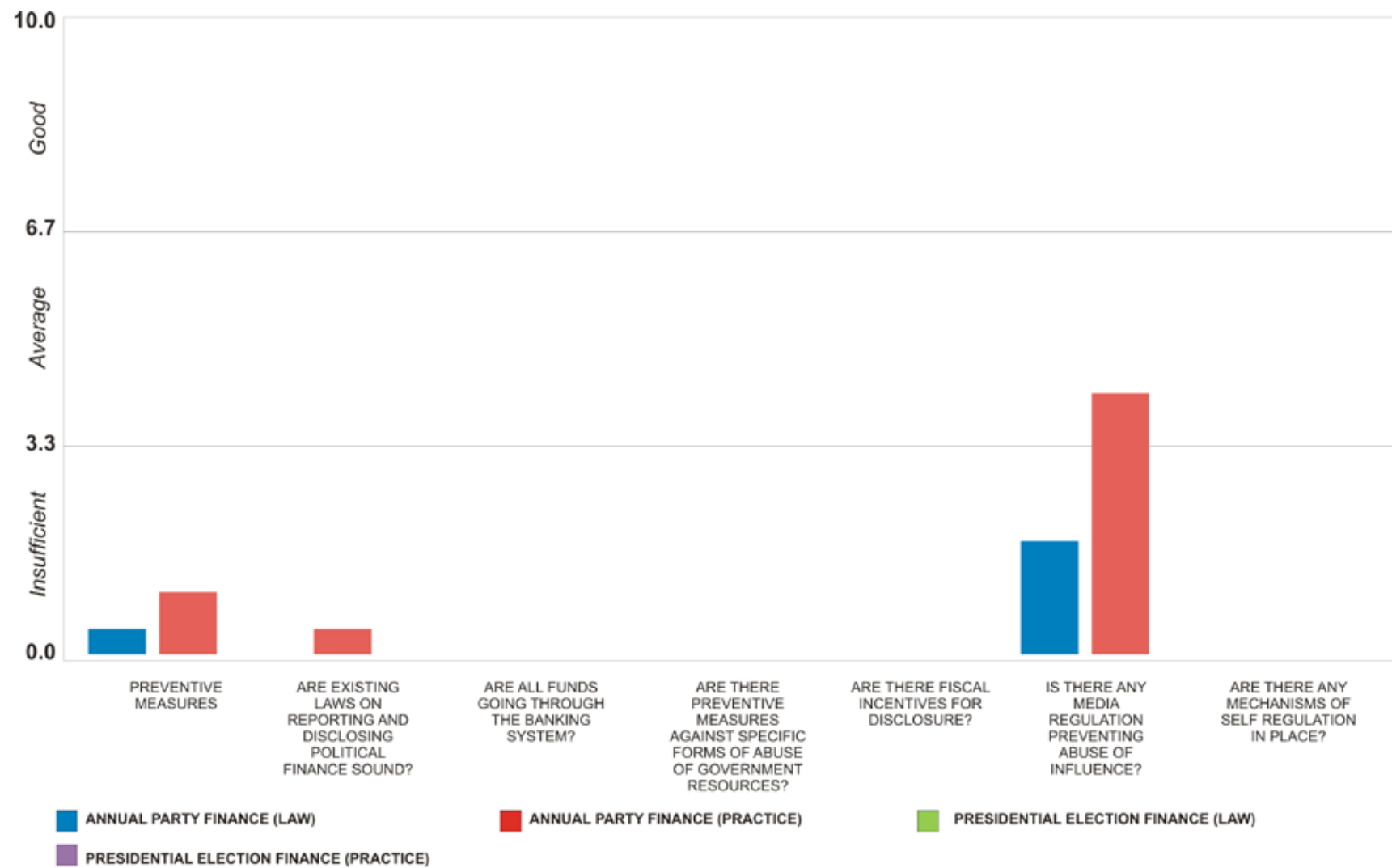
Graph 3 (Disclosure) ... While some information is available, secrecy surrounds political party spending and finances in general, once this money has been received from the state.

The money channelled to the respective political parties, in the form of an overall amount, is mentioned under the National Assembly Budget vote. An allotment formula of 0.2 percent of government revenue of the preceding financial year is used to determine the lump sum to be disbursed amongst political parties in parliament. However, the specific sum that each party receives annually, based on the number of votes garnered in the last election, is not readily or publicly available.

On the other hand, given the existence of a legislative vacuum and the dearth of information on political party financials, indications are that political parties do not view disclosure of information to the public as a priority issue, and neither do political donors or government. This was reflected in the general unresponsiveness of political parties, government departments and agencies, private donors or potential donors, and even to an extent media organisations to the requests for information by the citizens and students, as well as those of the research team, deployed to test access to and disclosure of information.

Dimension 7: Prevention

The legal framework on regulating political parties’ finances and funding is woefully inadequate, if not relatively non-existent, and thus no effective preventive measures are in place to penalise or prohibit transgressions, and this is reflected in the extremely low mean score of 0.6 (insufficient).



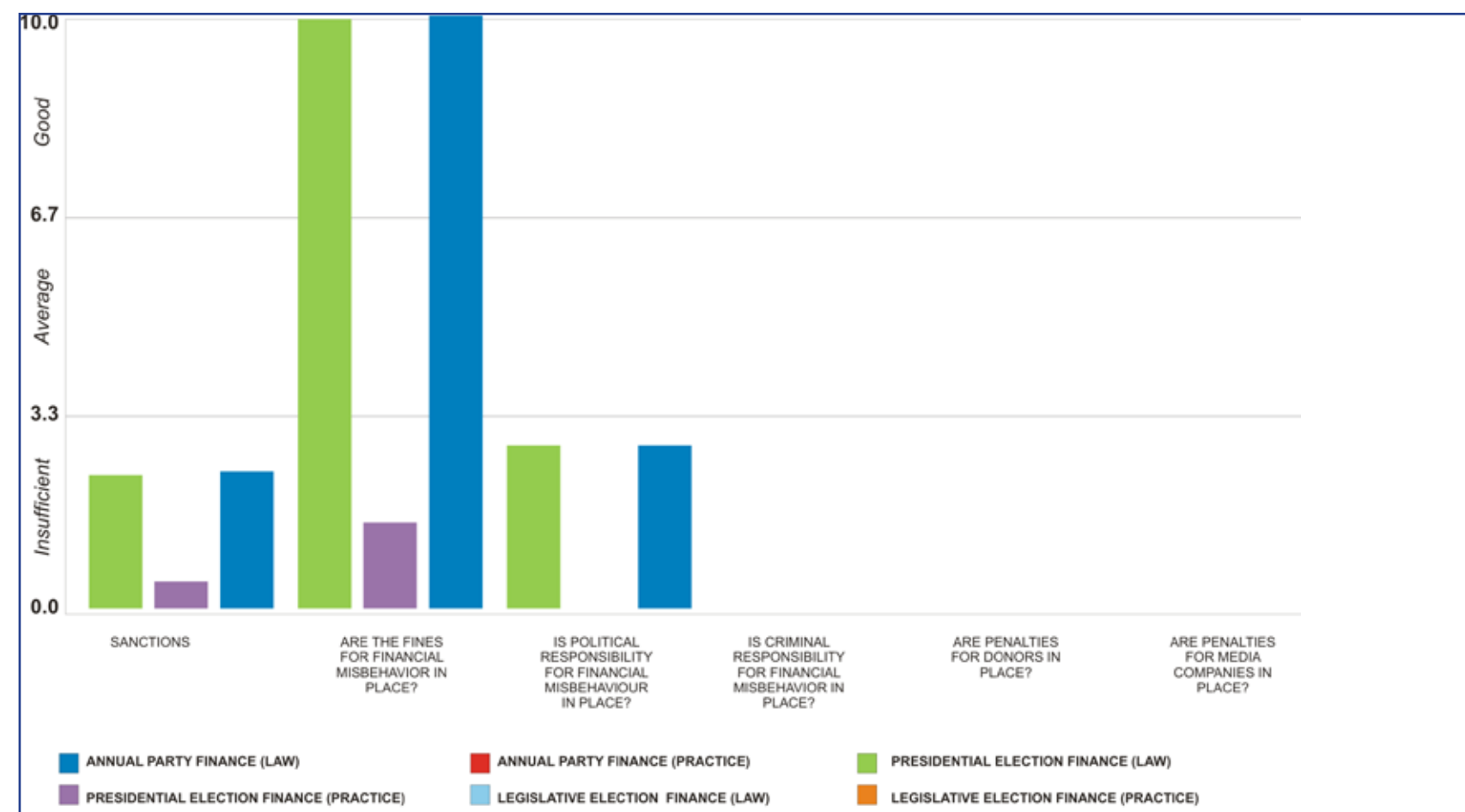
Graph 4 (Prevention) ... The low score (insufficient) reflects the fact that almost no preventative measures exist to curb irresponsible and unethical accounting practices within political parties.

Not even the Code of Conduct for Political Parties, produced by the Electoral Commission of Namibia (ECN) to which political parties subscribe during National Assembly and Presidential elections, deals with the issue of political party finances or the use, misuse and abuse of state and other resources or caps on funding and donations. And neither does the Electoral Act (24 of 1992), which merely and broadly addresses the issue of foreign funding of political parties and the penalty for non-disclosure of such funding, with its silence on domestic funding rightly construed as a considerable loophole.

As it stands, no incentives exist for political parties to conduct themselves ethically with regard to their finances and neither do effective penalties and punishments to curb them if they don't.

Dimension 8: Sanctions

The low mean score of 0.5 (insufficient) reflects the fact that, by and large, with the exception of the Electoral Act (24 of 1992), there are no legislated sanctions imposed on political parties in cases of non-compliance with accounting and reporting standards, which in any case do not exist.



Graph 5 (Sanction) ... This dimension was scored only on the fact that some sort of sanction exists, but only with regard to foreign funding, in the Electoral Act of 1992.

The Electoral Act merely deals with the disclosure of foreign funding of political parties and imposes a fine of N\$12,000 and/or a three-year prison term, if disclosure is not effected, even while it does not say what form this disclosure should take. No party has ever been charged under these clauses and, as a result, no punitive actions have been taken.

Dimension 9: State Oversight

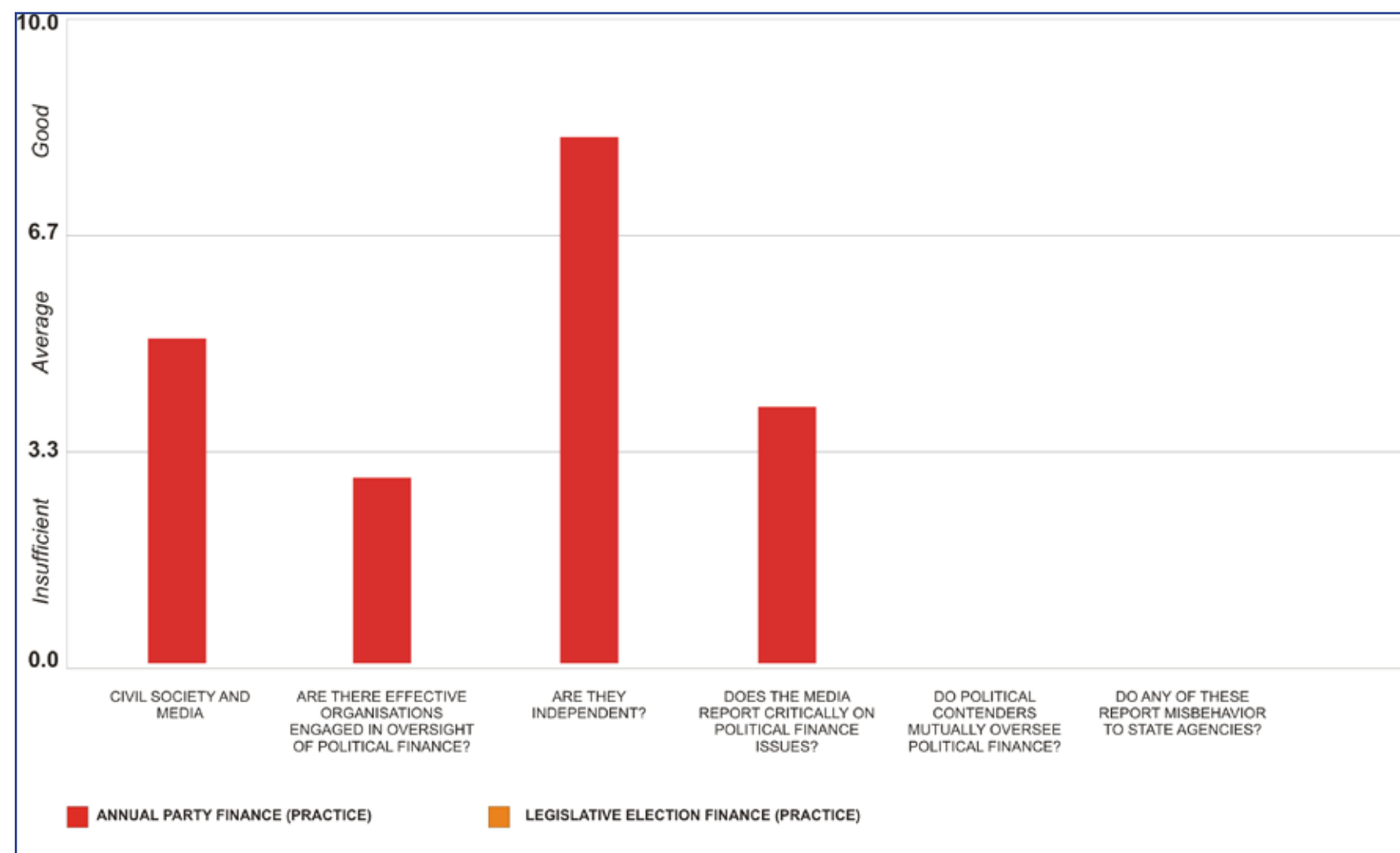
This dimension could not be scored because there is no state agency tasked with monitoring and regulating political party finances in Namibia.

Parties represented in the National Assembly have been receiving money from state coffers for almost a decade and a half now. Over the last ten years, repeated and sporadic calls have been made, including by the Auditor General of the Republic of Namibia, to bring political party finances within the regulatory ambit of the Office of the Auditor General, which audits all agencies and departments receiving money from the state revenue fund. While such statements have been made over the years, including again in June 2010, nothing had come of it by the end of July 2010.

When contacted for information by the research team in April 2010, a spokesperson at the Office of the Auditor General, simply stated: "We don't audit them [political parties]. We have nothing to do with political parties".

Dimension 10: Oversight by Civil Society and Media

The comparatively high mean score of 5.0 (regular) reflects the fact that there are some organisations, such as the Institute for Public Policy Research (IPPR) and the National Society for Human Rights (NSHR), which have over the years spotlighted, even if erratically so, the issue of political party finances.



Graph 6 (Civil society oversight) ... The score (regular) reflects the fact that over the years at least two organisations have taken up the cause, if only sporadically, of calling for a more transparent political party funding dispensation.

For instance, in 2004, the IPPR produced a research paper, a forerunner to this study, titled 'The Life of the Party: the Hidden Role of Money in Namibian Politics', and in early 2009, ahead of that year's National Assembly and Presidential elections, the IPPR once again took up the issue in its Election Watch publication. The NSHR has at times been very outspoken on the topic. However, there are no civil society organisations dedicated to monitoring political parties and activism around the issue of political party finance has thus been weak.

Engagement with the issue by the media has also tended to be erratic and event driven, in other words only being covered when some political figure has over the years publicly said something on the issue. No media organisation or journalist has ever undertaken a comprehensive investigation of political parties' finances in Namibia. The fullest article in recent years appeared in Insight Namibia magazine in April 2008.

4. Conclusions and Recommendations

4.1 Conclusions

In a very real sense, the atmosphere of suspicion, fear, secrecy, silence and indifference around political party finances and funding in Namibia can be viewed as a measure of and attesting to the access to information environment in the country.

A culture of openness around political processes in Namibia does not exist. The suspicion with which this research was viewed and the general uncooperativeness of the stakeholders identified and approached stands as a testament to this.

The contentious issue of money in politics runs deeper than the political parties, with accountability and transparency of individual political office holders and representatives being a major concern as well, as evidenced by the April 2010 media exposé which revealed that the Register of Members' Assets of the National Assembly had not been updated and released for public scrutiny for five years, from 2005, due to a negligent approach to disclosure by some MPs and outright disregard of the rules by others.

Given this and the environment illustrated throughout the previous sections of this document, the conclusion is self-evident, namely: There exists no state or any other oversight, because there is no legislated framework to regulate political party finances. As a result, there is little if any accountability and transparency with regard to the issue of political party finances and funding.

Namibian political parties on the whole do not appear to feel the need to be transparent and accountable, not even to their own members, as became obvious through the information gathering process of this research project, when some political parties flatly acknowledged that they were not even open with their own memberships when it came to the finances of the party.

This state of affairs can be seen as indicative of a system, not just pervaded by fear and secrecy, but also by a political culture of patriarchal patronage, with power and access to resources centralised at the very highest levels of political organisations in the country, whether party political or government.

The same can be said of the private sector, from within which donors and potential donors were identified for this research. Some were straightforward in saying that they were not required to be open about their political involvement and dealings and thus would not be.

Given the fact that political parties, those with representation in parliament, receive money annually from state coffers, it is hard to understand why they continue to remain some of the very few, if not the only, largely un- or under-regulated entities in Namibian society.

4.2 Recommendations

The following are recommendations on the role of stakeholders in order to make political party finance in Namibia more transparent and accountable.

For Government:

- Broadly, because many political parties receive money from the state, the legislative framework should be strengthened and expanded to include laws specifically dealing with the issue of monitoring and regulating political party finances, as well as other governance issues within political parties;
- Legislation should be created that:
 - o Divides a proportion of state funding equally among parties represented in the National Assembly or National Council.
 - o Divides the rest of the state funding according to seat allocation in the National Assembly;

- o Creates a separate fund for election campaigning, which is divided equally among parties registered for the election;
- o Makes the release of funds conditional on the satisfactory accounting and auditing of previous state funding to a particular party;
- o Makes funding conditional on parties having up-to-date lists of members and having raised a proportion of their funds through membership subscriptions;
- o Places the oversight of the funding system with an independent electoral management body and gives the Auditor General a role in checking party spending.
- o Ensure parties' spending of state funding is publicly disclosed.
- Access to information legislation should be drafted and passed to facilitate transparency and accountability within political and bureaucratic processes, whether within government, political parties or the private and non-governmental sectors.

For Political Parties:

- Political parties should be ever cognisant of the impact of the issues of transparency and accountability, especially within the context of a evolving and maturing democratic dispensation, on their levels of support, and should thus introduce proper internal structures;
- In continuation of the above, political parties should strengthen their book-keeping and reporting structures and capacities and develop sound policies regarding internal and external disclosure of financial matters;
- Political parties should strive to develop and adopt more democratic and professional internal cultures.
- Political parties should provide annual financial reports to their structures and to the public.

For Civil Society and the Media:

- Civil society organisations dealing with governance and transparency issues should initiate dedicated research programmes and projects, such as on-going monitoring initiatives, around the issue of money in politics;
- In addition to the above, civil society organisations should become more proactive in advocacy around political party finance and funding, creating public dialogue around the issue by initiating well-publicised campaigns;
- Media organisations and practitioners should be more active in investigating and providing continuous and consistent coverage on political party finance and funding.

For the Private Sector:

- Private sector stakeholders in political processes should adopt a more open approach to the issue of access to information and should be publicly upfront about their involvement in these political processes, such as the funding of political parties;
- In this regard, private sector stakeholders should adopt an attitude of voluntary public disclosure of donations to political parties.

Annex-1

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Annex-2

List of political party officials approached:

1.Swapo Party of Namibia

Hon. Immanuel Ngatjizeko, Secretary of Finance

2.United Democratic Front (UDF)

Hon. S.I. !Gobs, National Treasurer

3.Rally for Democracy and Progress (RDP)

Mr. Shapua Kaukungua, Secretary for Administration and Finance

4.Democratic Turnhalle Alliance (DTA) of Namibia

Mr. Katjiova, Acting Secretary of Finance

5.National Unity Democratic Organisation (Nudo)

Mr. Theo Uahongora, Secretary General

6.Congress of Democrats (CoD)

Ms. Elma Dienda*, Treasurer General

* Has since left the party to become an independent.

Annex-3

List of companies approached:

Tracy Eagle
Head: Corporate Communications
Pupkewitz Holdings

Roux-Che Locke
Group Manager: Public Relations
Ohlthaver & List Group of Companies (Pty) Ltd

Dr Kalumbi Shangula
Acting Chairperson
Kalahari Holdings (Pty) Ltd

Mr Fanie Becker
Chief Operations Officer
Democratic Media Holdings (Pty) Ltd

Mr Paul Oosthuizen
Manager
Officeconomix CC

Mr K. Shalukeni
Acting General Manager
Namprint

Mr John Walenga
Managing Director
Zebra Holdings (Pty) Ltd

Mr Nathan Nekomba
Managing Director
Onyewu Holdings (Pty) Ltd

Mr Conrad Schwiegers
Woerman Brock & Co (Pty) Ltd

Ms Aylin Lutzow
Manager: Marketing and Communications
M+Z Motors (Pty) Ltd

Annex-4**Media companies approached:**

Ms Anita Witt

Marketing Manager
The Namibian

Mr D. Booysen
Acting News Editor
Die Republikein

Ms Judith du Toit
Marketing/PRO
One Africa Television

Ms Ilke Platt
Public Relations Officer
Namibian Broadcasting Corporation (NBC)

Kolie van Coller
Station Manager
Kosmos Radio

Annex-5**List of expert commentators who responded:**

1. Prof. William Lindeke
2. Dr. Henning Melber
3. Mr. Phaniel Kapama
4. Ms. Catherine Sasman
5. Mr. Tangeni Amupadhi
6. Mr. Andreas Pelzer
7. Mr. Phil ya Nangoloh
8. Ms. Carola Engelbrecht
9. Mr. Samson Ndeikwila
10. Dr. Lesley Blaauw
11. Ms. Toni Hancox
12. Mr. John Grobler

Annex-6**Explanatory Note on Calculating NURU 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 NURU score for a country.

The NURU questionnaire consists of roughly 440 questions. The data which research teams have submitted has been 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 have been split into several separate variables (one variable for each answer). All answers into these questions have been coded into scores. Each answer corresponds to a number, ranging from 0 to 10. The rules for scoring are listed in the excel file called NURU method, blue column.

All the answers to questions (all answers by all interviewees, which was in total 4000 answers or data points) were put

together in a spreadsheet. This was done in the following steps:

Step 1: Questions that have been 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 NURU data spreadsheet these six possibilities have been grouped together in one line, with six separate columns (for law_party; law_presidential; law_legislative; practice_party; practice_presidential; practice_legislative). These groups are called GENERIC QUESTIONS. There are about 240 generic questions (or lines) in the spreadsheet. These indicators are the closest to the original data in the spreadsheet.

Step 3: GENERIC QUESTIONS are grouped together to INDICATORS. That means, lines are summarized in lines above. There is a total of 50 INDICATORS. This is the most detailed form graphs capture the details of the dataset.

Step 4: Indicators are summarized in DIMENSIONS. We have 10 dimensions, and 50 indicators feed into these dimensions. Each dimension has a different number of indicators.

Step 5: Dimensions are summarized into the Total NURU 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 are summarized for all columns describing what happens in law (in terms of party, presidential and legislative) and in practice (party, presidential, legislative).

Step 7: Separate average scores are also summarized for all columns referring to party finance (law and practice), presidential elections (law and practice) and legislative elections (law and practice).

Step 8: Simple averages are summarized for all columns.

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

- 1) variables with a different weight are 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

So, this is how 4000 data points are summarized in a single country score. Graphs represent intermediate levels of aggregation by each dimension.