

Financing of the Electoral Campaign for Presidential Elections in the Republic of Moldova 2016

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TABLE OF CONTENTS

SUMMARY.....	2
I. ELECTION-RELATED FINANCIAL ASPECTS OF THE SIGNATURE COLLECTION PERIOD	
.....	3
1.1. Activities to organise initiative group (IG) functions.....	3
1.1.1. Regulatory provisions on IG funding.....	4
1.1.2. The establishment of a general ceiling on the amount of funds that can be transferred into the “Initiative Group Funds” accounts in support of nominated candidates.....	4
1.1.3. The opening “Initiative Group Funds” accounts and the introduction of treasurers	4
1.2. The final financial statements of initiative groups during the signature collection period.....	5
1.2.1. Initiative groups’ revenue and expenditures as reported in their financial statements.....	5
1.2.2. Revenue and expenditures found by Promo-LEX observers that were not reflected in initiative groups’ financial statements.....	7
1.2.3. Expenses incurred by political parties for activities with electoral overtones identified by Promo-LEX Observers during the signature collection period.....	12
II. FINANCIAL ASPECTS OF THE ELECTION CAMPAIGN.....	13
2.1. Legal aspects of election candidates’ finances.....	13
2.1.1. The general ceiling on the amount of funds that can be transferred into the “Electoral Fund” accounts of election candidates.....	13
2.1.2. Public financial support for election campaigns.....	14
2.1.3. The opening (Round I) and reopening (Round II) the “Electoral Fund” accounts and the introduction of treasurers.....	14
2.2. Final financial reporting by election candidates.....	15
2.2.1. Election candidates’ revenue and expenditures as stated in their reports on election campaign funding.....	15
2.2.2. Expenditures found by Promo-LEX observers that were not reflected in election candidates’ financial statements.....	18
2.2.3. Sanctions.....	29
RECOMMENDATIONS.....	31
THE OBSERVATION METHODOLOGY OF PROMO-LEX EOM.....	32
ABBREVIATIONS	33

SUMMARY

As part of the Civic Coalition for Free and Fair Elections, the Promo-LEX Election Observation Mission (EOM) performed long-term monitoring during the election period before and after the presidential election of 30 October 2016 (13 November) 2016. This report covers the period between 25 August 2016 and 13 November 2016 and reflects electoral findings reported by Promo-LEX observers in the context of the corresponding legal framework. It also reflects regulatory changes related to the election made during the pre-election period. The comparative assessment of campaign finance is based on financial statements submitted by initiative groups and election candidates to CEC, along with the observers' findings.

For the election of the President of the Republic of Moldova (RM) on 30 October 2016, the legislature provided for the creation of initiative groups (IG) to collect signatures for nominated candidates. The election period can be divided into two stages: 30 August 2016 – 29 September 2016, for IG activity and 30 September 2016 – 28 October (11 November) 2016, for candidates' election campaigns. Therefore, the provisions on conditions, methods, limits and responsibility for the financing of election campaigns applied to IG activity as well.

We found that the funds accrued in accounts marked "Initiative Group Funds" reached MDL 1 160 427 and MDL 59 426 475 in "Electoral Fund" accounts. The biggest share of monetary contributions collected by IGs came from legal entities (46.58%), followed by individuals (41.49%) and material donations (4.66%). On the other hand, electoral candidates (EC) received the largest contributions from individuals – 2 895 persons transferred MDL 52 408 936 into election campaign accounts, while contributions from legal entities (which ranked second) accounted for MDL 7 008 200, and material donations (ranked third) for MDL 837 765. The total revenue reported by electoral candidates accounted for MDL 59 426 475. Compared to the election campaign for the general local elections in 2015, the revenue of the election candidates decreased by a coefficient of 0.7, from MDL 82 839 246 to MDL 59 426 475. At the same time, the presidential election campaign was shortened from two months to one.

For the presidential election of 30 October 2016, the legal limit for funds able to be received by initiative groups was established at MDL 576 250, while the legal limit for funds able to be received by the electoral accounts of election candidates was established at MDL 65 797 539, or 11.06% higher than in 2015. The initiative group supporting Dumitru Ciubasenco (PPPN) filled the largest share of the maximum threshold set by CEC – 82.77%, followed by the IG supporting Marian Lupu (PDM) with 36.86%, who later stepped out of the electoral race. A total of 7 IGs (supporting Mihai Ghimpu (PL), I.C. Vasile Tarlev, I.C. Maia Laguta, Vitalina Pavlicencon (PNL), Ana Gutu, I.C. Geta Savitcaia, I.C. Ion Dron) and 1 EC (I.C. Maia Laguta) declared that they did not have any expenses during that period.

As for the reported campaign expenses, 94% were used for advertising (including promotional materials), 2% for public events, 2% for transport, 1% for compensation of volunteers/observers and 1% for other expenses. None of the electoral candidates reported payroll expenses or expenses related to public opinion polling. Only three electoral candidates reported compensation for volunteers, consulting expenses and additional maintenance expenses (including telecommunications). Like electoral candidates, the IGs focused their attention on advertising (including promotional materials), on which they reported spending 75% of the total, in addition to 17% for transport, 4% for additional maintenance expenses and 4% for other expenses.

During the monitoring period, Promo-LEX EOM found the following specific situations: a case in which an electoral candidate (Maia Sandu) was supported by another party (PPPDA), which can be qualified as a third party donation; two cases of donor masking by 2 ECs (Dumitru Ciubasenco and Maia Sandu); one case of expenses in order to print promotional materials recorded before the "Electoral Fund" account was opened (Mihai Ghimpu); one case of an 1 EC (Inna Popenco) being excluded for the use of unreported funds, based on a request accepted by the SCJ. The Mission also found several irregularities in financial reporting by both initiative groups and election candidates that were not properly

accounted for by electoral actors, either regarding the imposition of appropriate sanctions or the filing of appeals.

Promo-LEX EOM has estimated that at least MDL 7 627 223 were not reported in the financial statements of 11 election candidates. Based on the Mission's estimates, most of the unreported expenses were payroll expenses for campaign staff, and expenses related to the compensation of volunteers/observers, outdoor or mobile advertising, promotional advertising and, last but not least, maintenance costs for campaign headquarters. In addition, Promo-LEX EOM has estimated that MDL 2 239 310 were spent by 5 political parties for electoral activities, expenses that should be reflected in their semi-annual financial statements (semester II, 2016).

I. ELECTION-RELATED FINANCIAL ASPECTS OF THE SIGNATURE COLLECTION PERIOD

1.1. Activities to organize initiative group (IG) functions

1.1.1. Regulatory provisions on IG funding

On 15 July 2016, the Electoral Code was amended and new legal provisions regulating the conduct of election campaigns for presidential elections in the Republic of Moldova were added. In essence, the amendment stated that the provisions on conditions, methods, limits and responsibility for the financing of election campaigns were to be applied to initiative groups (IGs) too¹. In addition, the Regulation on the Funding of Initiative Groups for the Collection of Signatures in Support of a Candidate to an Elective Position or to Initiate a Referendum was approved by CEC on 18 August 2016. It includes details from the Electoral Code regarding:

- Defining the concepts related initiative groups (IG): the initiative group (IG), accounts designated for the IG activity of collecting signatures, reports on the cash flows related to IG activity, IG activity.
- Regulating the opening of bank accounts with the notation "Initiative Group Funds", which may be opened within 5 days of the day the IGs are registered.
- Setting the calculation formula for the general ceiling for funds that may be transferred to the account of the IG in support of a candidate for an elective position.
- Applying legal limits for the donations made by individuals and legal entities, namely 200 and 400 monthly average salaries according national economic statistics, as provided for in both Law No 294-XVI of 21 December 2007 on Political Parties and the Electoral Code.
- Prohibiting the following activities, as they might interfere with equal opportunities for initiative groups:

1) the provision of financial support for the activity of initiative groups by:

- a. foreign legal entities, including joint ventures,
- b. other countries;
- c. international organizations, including international political organisations;
- d. citizens of the Republic of Moldova under the age of 18;
- e. citizens of the Republic of Moldova with limited legal competence or who have been declared incompetent by a final court decision;
- f. individuals from the Republic of Moldova using income earned abroad;
- g. public authorities, organisations, enterprises, public institutions, and other legal entities funded from the public budget or having state capital, except for the cases when provision of the services or material support is expressly provided for in legislation;

¹ All the provisions of Chapter IV of the Electoral Code "Material support for the conduct of election and funding of the election campaigns" apply directly to the Initiative Groups formed to support the presidential election candidate.

- h. legal entities which, within one year of the start of the election period, have performed activities funded by or paid for from public funds or from legal entities with foreign or mixed participation;
- i. anonymous persons or persons acting on behalf of third parties;
- j. individuals that are not citizens of the Republic of Moldova;
- k. non-commercial organizations, trade unions, charity or religious organizations;

2) the personal use, by the initiative group, of funds transferred to the “Initiative Group Funds” account;

3) offering money, gifts, or goods free of charge, including humanitarian aid or other charity by the members of the initiative group;

4) the financing of initiative group activity from funds other than those from “Initiative Group Funds” account;

5) the use of unreported funds and material support by the initiative group or exceeding the general threshold for expenditures.

- The last transfers from the account “Initiative Group Funds” shall be made no later than one day before the deadline for submitting signature sheets to the body responsible for verifying signatures. After the signature sheets have been submitted, any transfers from that account are prohibited.
- At the end of the signature collection campaign, reports on cash flow related to the activity of the initiative group for the entire period shall be submitted for examination to the body responsible for verifying signatures.

1.1.2. The establishment of a general ceiling on the amount of funds that can be transferred into the “Initiative Group Funds” account in support of nominated candidates

On 26 August 2016, in accordance with the legal provisions² and the timetable, CEC established the maximum amount of funds that can be transferred to the “Initiative Group Funds” account at MDL 576250. The threshold was calculated by multiplying the coefficient of MDL 23.05 by the maximum number of signatures that must be collected by an IG (25000). The coefficient of MDL 23.05 was established according to the updated legislation and constitutes 0.5% of the average salary according to economic statistics for the year preceding the election, which amounted to MDL 4610.9.

Promo-LEX EOM welcomes both the formula for calculating the threshold and the arguments for establishing the coefficient of 0.5% of the average salary for the year preceding the election, noting that this threshold for funds is sufficient for the activity of collecting signatures.

1.1.3. The opening of “Initiative Group Funds” accounts and the introduction of treasurers

According to CEC, 22 of 24 registered IGs nominated their treasurers by 29 September 2016. The other 2 IGs (supporting Mihai Ghimpu (PL) and I.C. Ion Dron) informed CEC that they will not incur expenses and will not open “Initiative Group Funds” accounts. Out of 24 registered IGs, 2 IGs (I.C. Mihai Corj and I.C. Geta Savitchi) did not nominate treasurers and informed CEC that their work will be conducted on a voluntary basis, so they will not carry out activities requiring financial expenses³.

²According to Article 38(10) of the Electoral Code and paragraph 6 of Regulation on the Funding of Initiative Groups, approved by CEC Decision No 114 of 18 August 2016, CEC shall establish the general threshold for funds that can be transferred on the “Funds for initiative group” account, on the basis of a coefficient multiplied by the maximum number of signatures to be collected by the initiative group supporting an elective candidate.

³According to Article 38(10) of the Electoral Code and paragraph 5 (a) of the Regulation on the Funding of Initiative Groups, the initiative group shall open a bank account entitled “Funds for initiative group” within 7 days of the date of registration at CEC, and shall inform the Commission in writing about it by communicating the respective banking data. If the initiative group does not open such an account, it has the obligation to inform the electoral authority and to carry out activities that do not involve financial expenses.

For the period of signature collection, which also includes the reporting period (2 to 29 September 2016), 11 of 24 registered IGs (PDM, PPPDA, PPPPEM, MSPRR, PPPN, PPPAS, PPPSRM, I.C. Silvia Radu, I.C. Vadim Brinzan, I.C. Valeriu Ghilețchi, I.C. Roman Mihaies) submitted financial statements⁴, while another 7 IGs (Mihai Ghimpu, I.C. Tudor Tarlev, I.C. Maia Laguta, Vitalia Pavlicenco, Ana Guțu, I.C. Geta Savițcaia, I.C. Ion Dron) submitted declarations that they did not incur any expenses. These statements and declarations have been published on the Central Electoral Commission website, under the terms provided for by the legislation.

1.2. The final financial statements of initiative groups during the signature collection period

1.2.1. Initiative groups' revenue and expenditures as reported in their financial statements

According to the final statements, the amount of revenue declared by 10 IGs for the period from 2 to 29 September 2016 was MDL 1 160 427 and the amount of expenses was MDL 1 159 991, with a final balance of MDL 881. One IG (MSPRR) reported no revenues or expenses during signature collection. No initiative group exceeded the maximum of MDL 576 520 set by the Central Electoral Commission for the period of signature collection.

IGs' sources of financing were:

- donations from legal entities, and earnings from the party's main account, i.e. revenues accumulated over the period between elections, for 4 IGs (PPPPEM, PPPDA, PPPN, PPPAS) – 46.58%,
- donations from individuals for 6 IGs (I.C. Roman Mihaies, PPPSRM, PDM, I.C. Valeriu Ghilețchi, I.C. Silvia Radu, I.C. Vadim Brinzan) – 41.49%
- material donations for 3 IGs (PPPSRM, I.C. Vadim Brinzan, I.C. Roman Mihaies) – 4.66%.

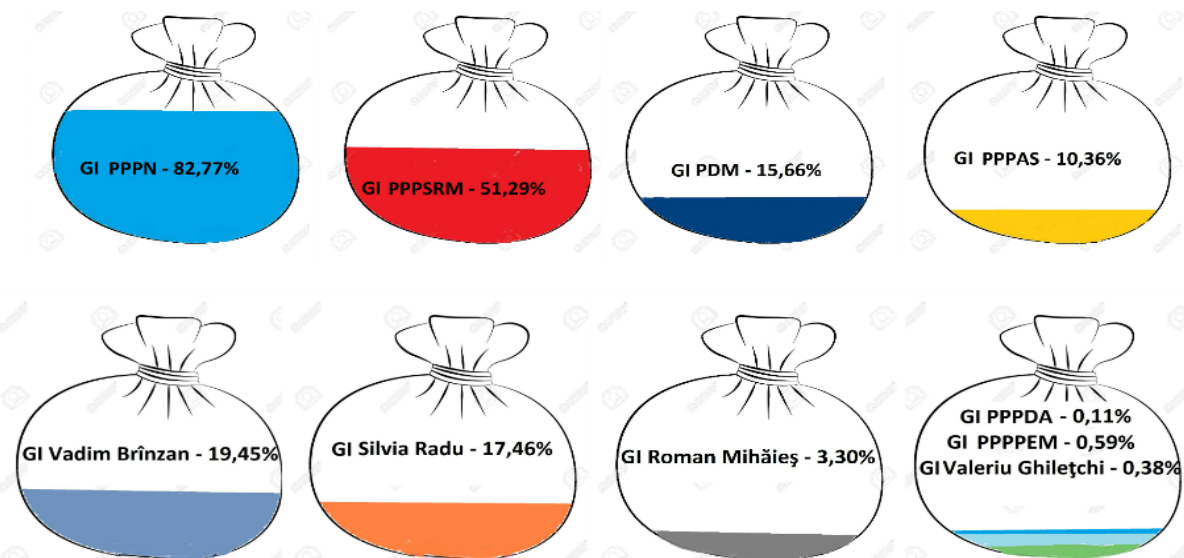


Chart 1. Revenue as a percentage of the regulatory limit⁵

The largest share of reported expenses was for advertising – 46.47%, followed by transport – 28.16%, for promotional products – 16.94%, additional maintenance expenses – 2.48%, expenses from material donations – 4.14%, and other expenses – 1.41% (see Chart 2).

⁴According to Article 38(8) of the Electoral Code, during the election period, the IG must submit to CEC, within 3 days from submitting the signature sheets, the statements on funds flow for the entire activity period of the initiative group.

⁵2 IGs (PL, MSPRR) have not reported revenues and expenses for the period of signature collection, thus using a share of 0% of the maximum established threshold.

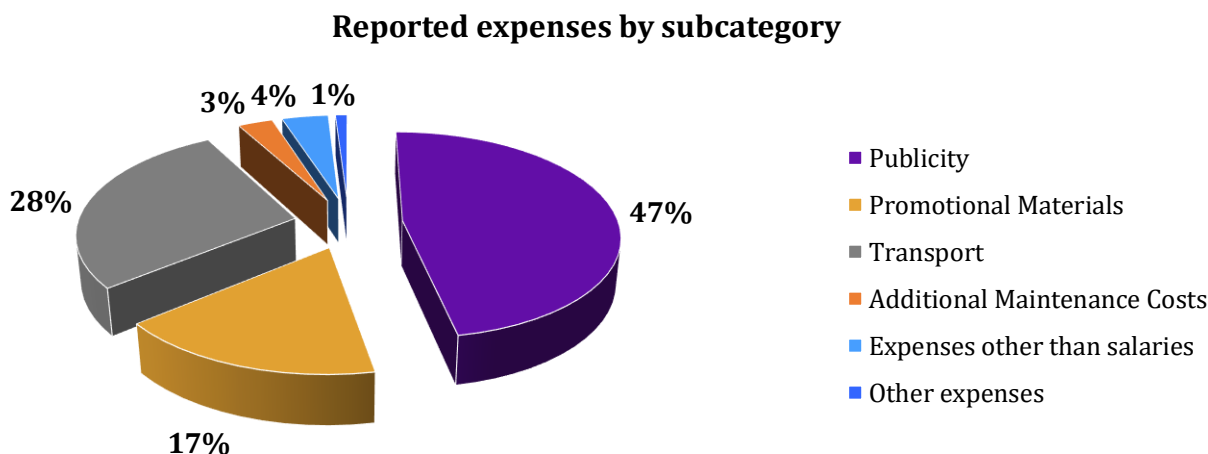


Chart 2. Reported expenses by subcategory

c. Advertising expenses

According to their financial statements, 5 IGs reported expenses amounting to MDL 539030 for advertising. PPPSRM – MDL 267140.75, PPPAS – MDL 18373.80, PPPN – MDL 89 556.47, IG Silvia Radu – MDL 99 800, IG Vadim Brinzan – MDL 64159.

d. Expenses for transportation of people and goods

According to their financial statements, 6 IGs reported expenses amounting to MDL 326700 for transport. PPPSRM – MDL 9700, PDM – MDL 87500; PPPAS – MDL 25000, PPPN – MDL 200000; IG Valeriu Ghilechi – MDL 1000; IG Roman Mihaies – MDL 3500.

e. Expenses for promotional materials (posters, flags, T-shirts, caps, etc.)

According to their financial statements, 5 IGs reported expenses amounting to MDL 196551 for promotional materials. PPPSRM – MDL 10500; PPPAS – MDL 15486; PPPN – MDL 165000; PPPPEM – MDL 2565; IG Roman Mihaies – MDL 3000.

f. Additional maintenance expenses

According to their financial statements, only 2 IGs (PPPN and Roman Mihaies) reported such expenses, which together amounted to MDL 28805.14. PPPN – MDL 19052,14 and Roman Mihaies – MDL 9753.

j. Other expenses

According to their financial statements, 10 IGs reported these expenses, amounting to MDL 16354.07. PPPSRM – MDL 5230.25; PPPAS – MDL 831.75; PPPN – MDL 3335.37; IG PPPPEM – MDL 844; IG PDM – MDL 2766.8 lei; IG PPPDA – MDL 400; IG Valeriu Ghilechi – MDL 1154.9; IG Silvia Radu – MDL 802; IG Vadim Brinzan – MDL 84; IG Roman Mihaies – MDL 905.

Promo-LEX EOM found 1 case in which 1 IG (supporting the candidate Maia Sandu) submitted signature sheets on 22 September 2016 but banking operations related to the “Initiative Group Funds” account were recorded later, thus violating Section 14 of the Regulation on the Financing of IGs. On 23 September 2016, 8 withdrawals from the abovementioned account were recorded, involving a total of MDL 43,786.80. In addition, deposits to this account were recorded on 23 and 24 September 2016. This account’s sole purpose, therefore, could not have been to finance signature collection, which had already been completed.

1.2.2. Revenue and expenditures found by Promo-LEX observers that were not reflected in initiative groups' financial statements

c. Expenses for outdoor advertising

According to fact-checking carried out by Promo-LEX EOM, the minimum monthly fee for placing a 6X3 m² billboard is around MDL 6660; for a 15X12 m²/20X10 m² billboard, at least MDL 20200; for an LED billboard, MDL 7770; for a 1.8X2 m² billboard, at least MDL 2220; for a 1.5X2 m² banner, at least MDL 2000; and for TV advertising in 6 supermarkets in the Nr. 1 chain (for 30 days, 10 min a day, from 9:00 a.m. to 10 p.m.), MDL 144 330.

According to Promo-LEX observers, for the period indicated, 5 IGs incurred expenses for outdoor and mobile advertising. According to their estimates, the monthly cost for this advertising amounted to at least MDL 1 017415. For IG PPPSRM, Promo-LEX observers reported 46 billboards with dimensions 6x3 m², 5 banners with dimensions 2x1.5 m², and 1 billboard with dimensions 6x15 m²; for IG Vadim Brinzan – 4 billboards with dimensions 6x3 m², and 1 tent; for IG Silvia Radu – 4 billboards with dimensions 6x2 m², 3 billboards and TV advertising at 1 market (period – 14 days) from the No 1 market network; for IG MSPRR – 45 billboards with dimensions 6x3 m²; for IG PPPN – 10 billboards with dimensions 6x3 m². (See Charts)

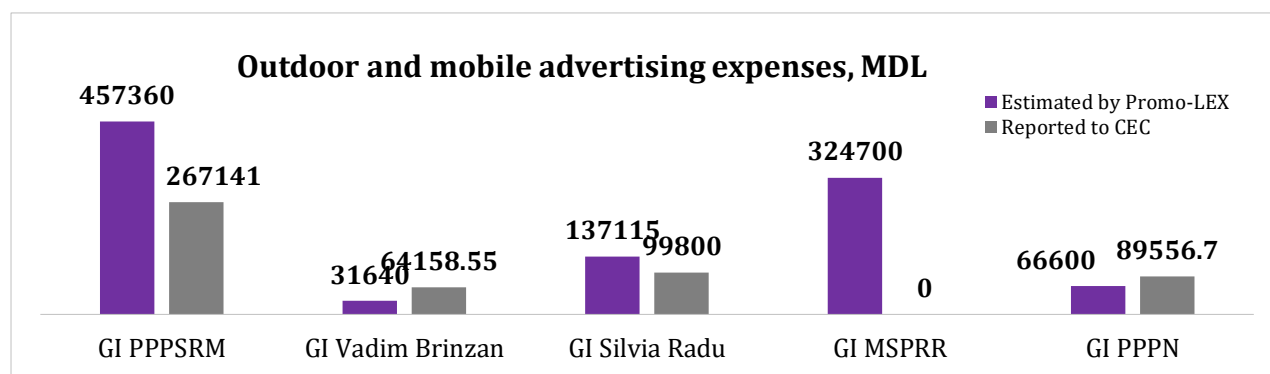


Chart 3. Expenses estimated for advertising (billboards and TV advertisements) by IGs estimated by advertising type

d. Expenses for promotional materials. For the indicated period, Promo-LEX observers reported party newspapers, leaflets and flyers distributed by the IGs supporting Igor Dodon (PPPSRM), Adrian Nastase (PPPSDA), Marian Lupu (PDM), Mihai Ghimpu (PL), Maia Sandu (PPPAS), Dumitru Ciubasenco (PPPN) and Iurie Leanca (PPPEM). The estimated amount of expenses is MDL 418892. According to fact-checking by Promo-LEX observers, the monthly minimum price for placing a tent is at least MDL 5000; for printing one 16-page color matte paper newspaper – MDL 0.5 each for a print run of 65000 copies; for printing an 8-page color glossy newspaper – MDL 3 each for a print run of 1214 copies; one A4 paperboard folding leaflet – MDL 0.5 each for a print run of 25000 copies; one A4 poster – MDL 3; and the price for an article on A4 page in the local media varies between MDL 1900 and 2900.

For IG PPPSRM, Promo-LEX observers reported the following promotional materials: the newspaper "Socialistii" ("The Socialists"), printed by the printing company Edit Tipar Grup SRL, order 826 (Ro) – a print run of 65,000 copies, order 827 (Ru) – a print run of 125000 copies, order 904 – a print run of 65000 copies (Ro), order 873 – a print run of 7600 copies, order 794 (Ro) – a print run of 65000 copies, order 686 – a print run of 35000 copies, and order 795 (Ru) – a print run of 125000 copies; A4 flyers with a picture of the candidate, printed by the printing company Arva Color SRL, order 0584, a print run of 50000 copies; and 6 tents. The total estimated cost was MDL 373800.

For IG Silvia Radu, the Promo-LEX observers reported mobile advertising placed on the seats of minibuses on Routes 114 and 193 (Administrator – SRL Lunguscom), and A4 color posters of IC Silvia Radu "Semnează pentru S.R. președinte" ("Sign for S.R. as President") without printing data.

Concerning PPPAS, Promo-LEX observers reported 4 tents equipped with a table and a chair. The estimated amount of expenses was at least MDL 20000.

In the case of PPPDA, Promo-LEX observers reported 3 tents and newspapers "Demnitate si adevăr" ("Dignity and Truth"), printed by the printing company "Universul", Order No 1273, a print run of 10000 copies; flyers of 15X20 cm² without a print run and without the disclaimer that they were paid from the "Initiative Group Funds" account. The estimated expenses were at least MDL 18300.

In the case of PPPN, Promo-LEX observers reported 50 A4 posters; newspapers "Puterea e în adevăr" ("Power is in Truth"), a print run of 1214; and calendars with dimensions 35X50 cm² with the picture of the candidate nominated by the IG PPPN. The estimated expenses were at least MDL 3792. (See Chart 4)

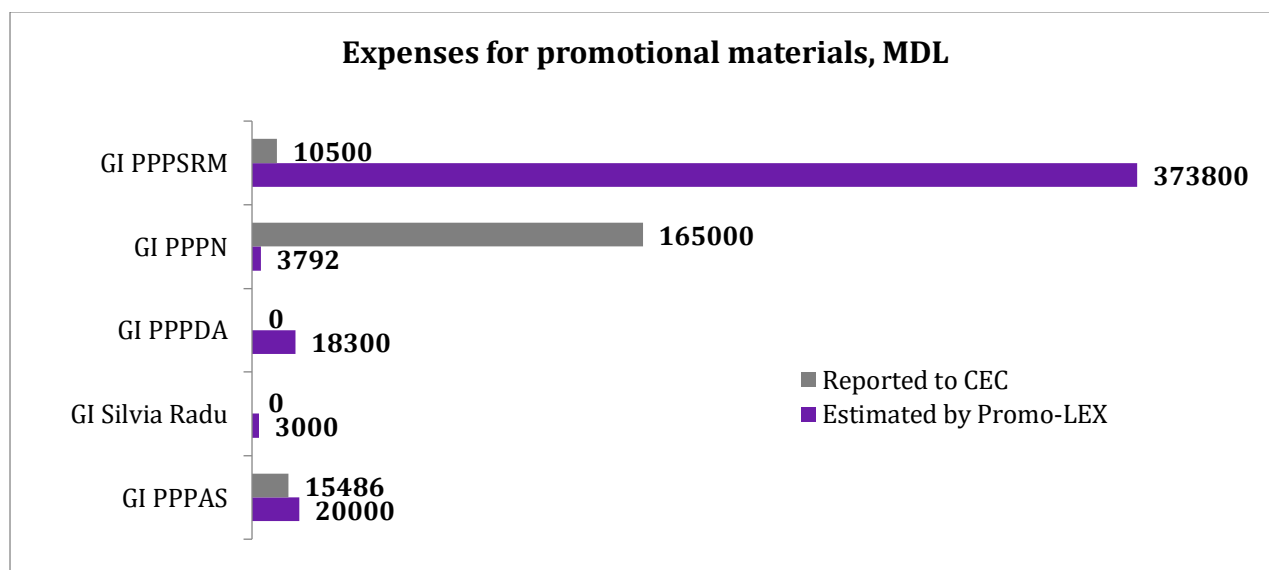


Chart 4. Expenses for promotional materials

e. Expenses for written media

Promo-LEX EOM notes that, for the period indicated, expenses of at least MDL 85282 were incurred by the 3 IGs supporting Silvia Radu (I.C.), Dumitru Ciubasenco (PPPN), and Inna Popenco (MSPRR). According to fact checking by Promo-LEX observers, the minimum price for a 1cm² article in a publication/newspaper is MDL 3.70.

Concerning IG Silvia Radu, Promo-LEX observers reported the following advertising in the local written media: a 962 cm² article in the newspaper "Glia Drochiană" ("Drochian Land"), p. 7, volume – 1 page; a 1218 cm² article in the district newspaper "Ecoul Nostru" ("Our Echo") Issue 37; a 925 cm² and a 1080 cm² articles in the independent district newspaper "Observatorul de Nord" ("Northern Observer") Issue 35; a 2-page 600 cm² article in the newspaper "Cahul Expres" ("Cahul Express") Issue 38; a 2-page 600 cm² article in the newspaper "Gazeta de Sud" ("Southern Newspaper") Issue 35; a 1,218 cm² article in the newspaper "Unghiul" ("the Angle"); a 1,000 cm² article in the newspaper "Expresul" ("the Express"); a 962 cm² article in the newspaper "Cuvantul" ("the Word"); a 1,350 cm² article in the newspaper "Curierul de Hîncești" ("Hincești Courier") Issue 37; and a 1,200 cm² article in the local newspaper "Cuvantul liber" ("the Free Word"), Issue 36. The estimated expenses were at least MDL 3792.

Regarding IG PPPN, Promo-LEX observers reported the following advertising in the local written media: a 1218 cm² article in the newspaper "Unghiul" ("the Angle"); a 500 cm² article in the newspaper "Glia Drochiană" ("Drochian Land"), p. 7, volume – 1 page; a 600 cm² article in the newspaper "Cahul Expres" ("Cahul Express") Issue 38; a 1-page 1200 cm² article in the newspaper "Gazeta de Sud" ("Southern

Newspaper”) Issue 35; a 925 cm² article in the newspaper “Ziarul Nostru” (“Our Newspaper”); a 1218 cm² article in the newspaper “Ecol Nostru” (“Our Echo”) Issue 37; a 962 cm² article in the newspaper “Cuvantul” (“the Word”); a 1350 cm² article in the newspaper “Curierul de Hîncești” (“Hincești Courier”) Issue 37; and two 925 cm² articles – “Ciubasenco ofera optiunea de relansare a Moldovei” (“Ciubasenco offers the option to relaunch Moldova”) and “Dupa decenii de dezmat politic e timpul sa alegem oameni” (“After decades of political debauchery it’s time to choose people”). The estimated expenses were at least MDL 36365.

Regarding IG MSPRR, Promo-LEX observers reported the following advertising in the local written media: a 1,080 cm² article in the newspaper “Curierul de Hîncești” (“Hincești Courier”) Issue 37. The estimated expenses were at least MDL 3996.

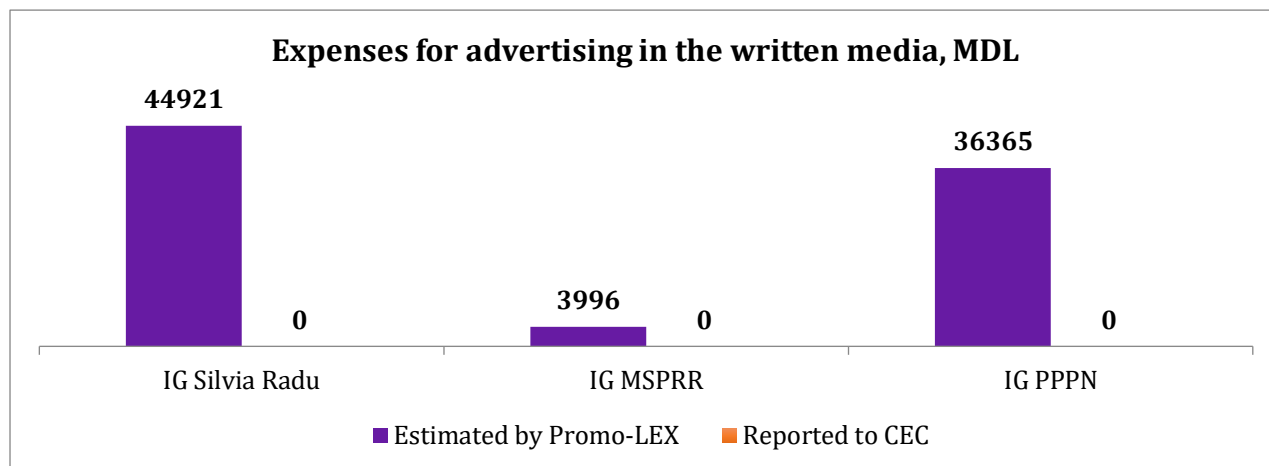


Chart 5. Expenses for advertising in written media

f. Expenses for transporting people and goods

Promo-LEX observers found that at least 16 IGs⁶ used transport to collect signatures. The estimated expenses were at least MDL 174183.

This figure was derived by multiplying an average consumption of 9l/100 km by the distance travelled and by the price for fuel (MDL 16.6/l).

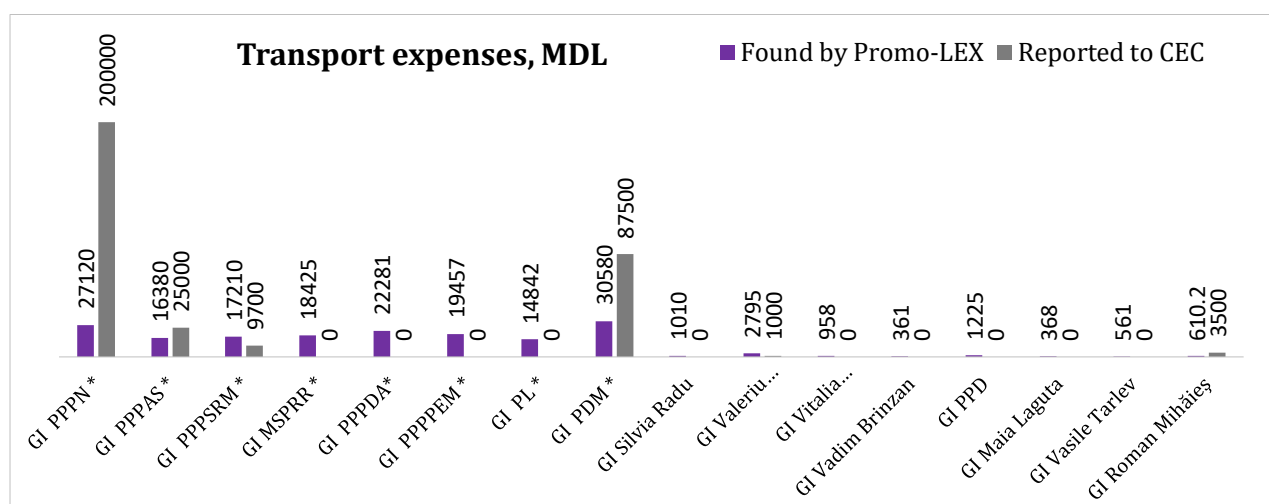


Chart 6. Transport expenses, MDL

⁶ Only the transport expenses of IG of PDM, PPPPEM, PL, PPPSRM, PPPN, MSPRR, PPPAS, and PPPDA were calculated based on the signature sheets submitted to CEC. Expenses for other IGs were calculated based on Promo-LEX observers’ findings.

j. Expenses for compensating staff employed temporarily for signature collection purposes

According to Promo-LEX observers' findings, 21 IGs registered members at CEC in order to collect signatures. The estimated expenses for their work amount to at least MDL 134973 per working day.⁷

The estimates were made with the lowest possible figures, based on the average per diem rules for the Republic of Moldova and the number of registered IG members, with a ceiling of MDL 88.33 per person for a working day.

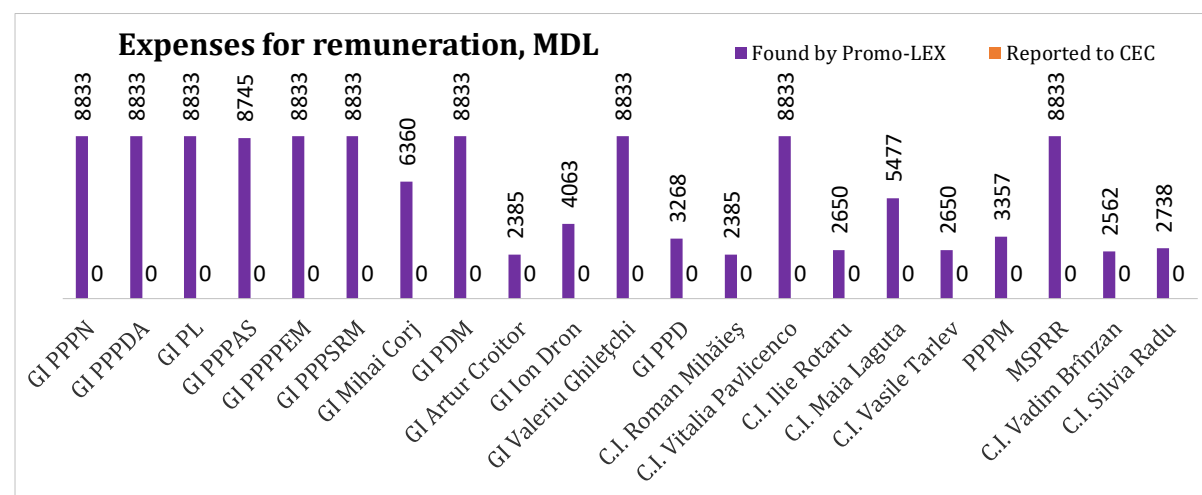


Chart 7. Expenses for remuneration, MDL

h. Expenses for delegations or detachments of people (including for compensation/daily allowances for observers and volunteers)

Promo-LEX observers reported that at least 198 volunteers were involved in signature collection activities for 15 IGs: IG Roman Mihaieș – 3, IG Vasile Tarlev – 3, IG Silvia Radu – 3, IG Valeriu Ghilețchi – 15, IG Vitalia Pavlicenco – 7, IG Vadim Brinzan – 6, GI Maia Laguta – 3, IG PPD – 7, IG PPPN – 42, IG PPPAS – 14, IG PPPSRM – 36, IG MSPRR – 4, IG PPPDA – 17, IG PL – 15, IG PDM – 20.

Estimated expenses for their work amount to at least MDL 17489 per working day. The estimates were made at the lowest level possible, based on the average per diem rules for the Republic of Moldova and the number of volunteers reported by Promo-LEX, with a maximum of MDL 88.33 per person for a working day.

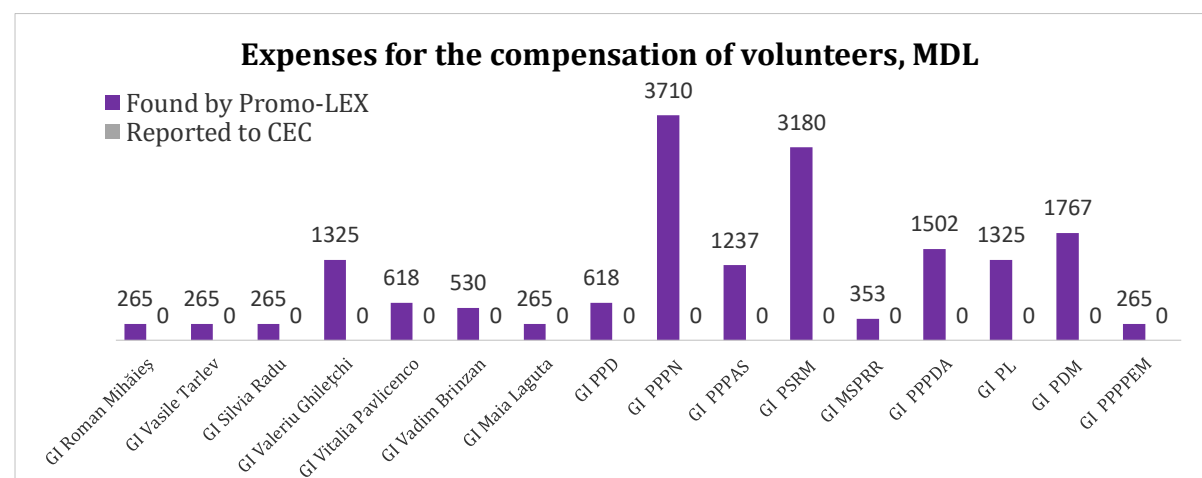


Chart 8. Expenses for the compensation of volunteers, MDL

⁷ Information is valid for the entire period of signature collection.

i. Expenses for online advertising

Over the period 14 – 29 September 2016, Promo-LEX EOM reported the presence of online advertising on several portals, sponsored by 9 initiative groups. The cost of placing a classic banners online was estimated to be at least MDL 122100, and for sponsored pages on Facebook – at least MDL 35742.

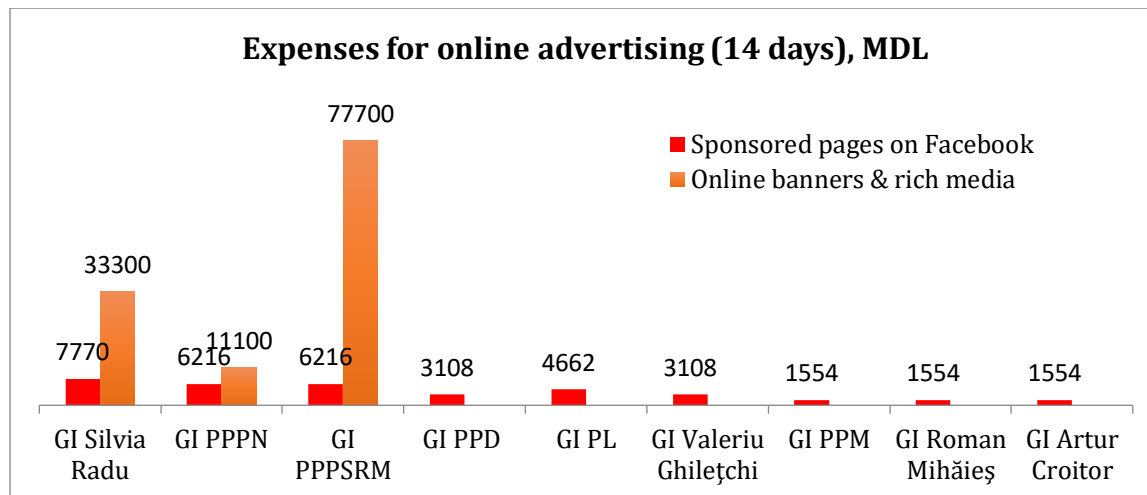


Chart 9. Expenses for online advertising (14 days), MDL

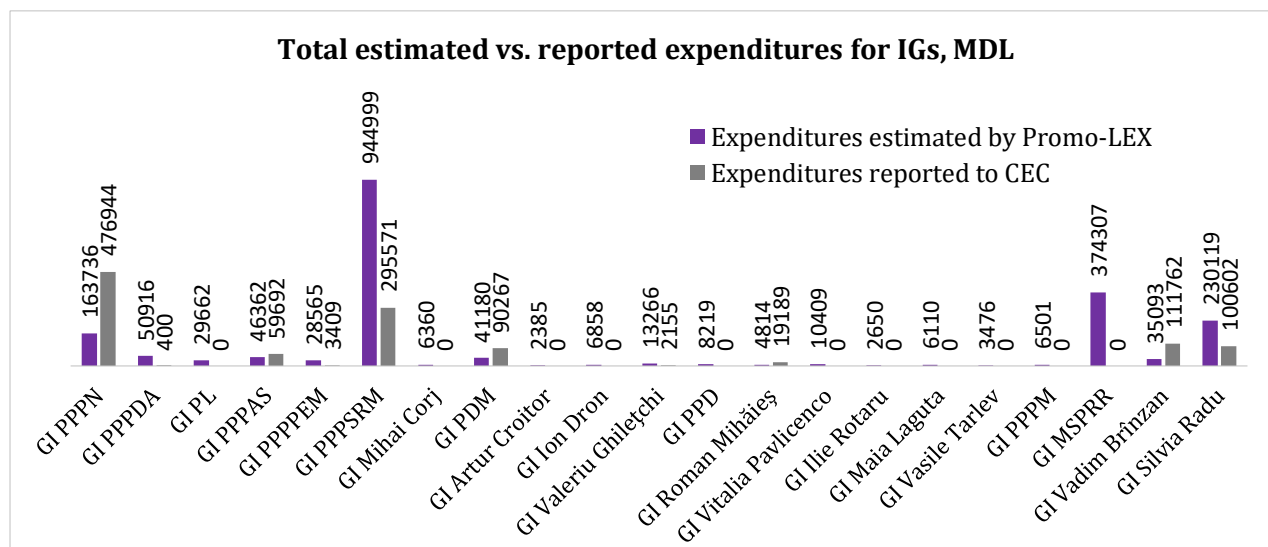


Chart 10. Total estimated vs reported expenses, MDL

Promo-LEX EOM notes with concern that at least 2 IGs (MSPRR and PL) submitted financial statements with no expenditures, despite the fact that they conducted promotional activities, both on online platforms and billboards, in order to collect signatures. Another 4 IGs (PPPDA, PPPPEM, I.C. Silvia Radu, I.C. Vadim Brinzan) sporadically indicated some expenses but claimed “zero” expenses for obvious costs including transport, promotional materials and compensation for volunteers.

According to the Regulation on Initiative Group Financing, IGs must submit, along with financial statements, lists of both financial donations and of donations in goods, objects, work and services during the electoral period (indicating the name and type of goods, objects, work and services, including the

period, the market value of the goods donated, and the number and date of the transfer of ownership/donor).

Promo-LEX EOM reiterates that, according to international standards and good practice in electoral matters, donations of goods are calculated in financial terms, declared in cash flow statements and then compared with the thresholds established by the electoral authorities.

According to their financial statements, only 3 IGs (PPPSRM, IC Vadim Brinzan, IC Roman Mihaies) indicated material donations and estimated them at their market values, recording them in financial documents submitted to CEC.

Promo-LEX EOM notes that the legal provisions of the Contraventional Code regarding financial reporting during election campaigns do not apply to initiative groups, so sanctions are not imposed for improper reporting by initiative groups, resulting in incomplete reporting by those concerned. Promo-LEX EOM recommends amending Articles 48 and 48¹ of the Contravention Code "Violations of laws on the management of political party financing and electoral funds" so that they apply to initiative groups as well.

1.2.3. Expenses incurred by political parties for activities with electoral overtones identified by Promo-LEX observers during the signature collection period

d. Expenses for public events

According to Promo-LEX observers, at least 3 potential election candidates (PDM, PPPPEM, PPPPSRM) have spent money for organizing 11 concerts. These concerts involved at least 9 artists. The expenses for public events consist of artists' fees, costs for renting space, stage, sound etc.

The basis for calculating the expenses for election events/concerts was the fee for each artist (market rate) to perform for a potential EC multiplied by the de facto working time per event. According to the Promo-LEX Monitoring Effort estimates, the total expenses for public events amounts to at least MDL 223 600.

According to observers' findings, PDM has organized 8 concerts. A. Ursu (3), I. Cuciuc (3), M. Sura (4), A. Puica (3), I. Raiburg (1), entertaining group "Meridian" (1), fanfare group "Bras take five" (1), O. Ciolacu (1), AKORD band (1), and Roxana (1) performed for PDM. The expenses for artists' fees amounted to MDL 153600. The expenses for sound were MDL 10000. PPPPSRM organized 2 concerts with fireworks. R. Voda, C. Prepelita, D. Gherman, I. Capraru, and A. Puica performed for PSRM. Expenses for artists' fees were MDL 35000 lei, and expenses for fireworks were MDL 20000. PPPPEM organized at least 1 concert. Stela Botez performed for PPEM. Expenses for the artist's fees were estimated to be at least MDL 5000.

h. Expenses for political outdoor and mobile advertising with electoral overtones

According to Promo-LEX EOM verifications, the minimum monthly fee to place a billboard of dimensions 6X3 m² is around MDL 6660, a billboard of dimensions 15X12 m²/20X10 m² – at least MDL 20200, an LED billboard – MDL 7770, a billboard of dimensions 1.8X2 m² – at least MDL 2220, a banner of dimensions 1.5X2 m² – at least MDL 2000, and TV advertising in No 1 market network in 6 markets (for 30 days, 10 min. a day, from 9:00 a.m. to 10 p.m.) – MDL 144330.

According to Promo-LEX observers, for the period indicated, 5 potential election candidates incurred expenses for outdoor and mobile advertising. According to estimates, the expenses amount to at least MDL 1 159148. Concerning PDM, Promo-LEX observers reported 24 billboards, 147 city lights, 2 LED

billboards, and TV advertisements in the No 1 market network in 6 markets (period – 30 days); concerning PL – 52 billboards of dimensions 6x3 m², 1 city light of dimensions 2x1,5m²; concerning PPPAS – 5 tents; concerning PPPDA – 1 billboard of 6x3m², 1 billboard of dimensions 6x1m², 1 city light of dimensions 2x1,5m² and 1 tent; concerning PPPPEM – 13 billboards of dimensions 6x3 m².

c. Expenses for online advertising

Over the period 14 – 29 September 2016, Promo-LEX EOM reported the presence of online advertising on several portals on behalf by 3 political parties that appointed election candidates (PDM, PPPPEM, PPPDA). Expenses for online placement of classic banners were estimated at more than MDL 77,700, and for sponsored pages on Facebook at least MDL 20202. (See chart)

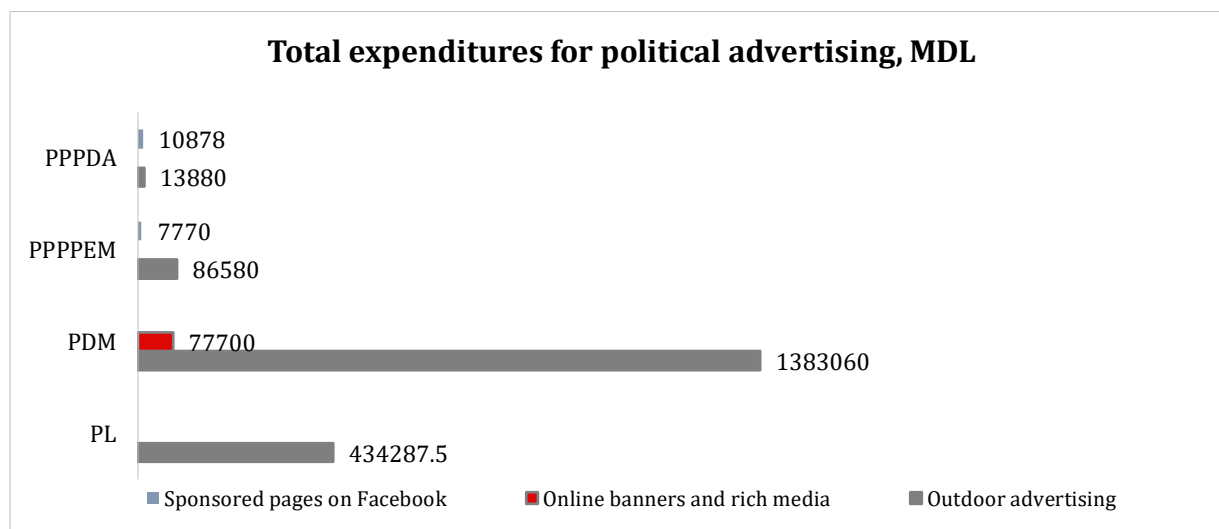


Chart 11. Total expenses for political advertising, MDL

Promo-LEX EOM has estimated that a total amount of MDL 2 239 310 was spent by 5 political parties on activities with electoral overtones. Promo-LEX EOM emphasizes that these activities were qualified as being political, but happened prior to the election campaign, which could cause ambiguity when qualifying actions as being electoral or political and, subsequently, when assessing the expenses related to them. In the future, Promo-LEX EOM cautions political parties about their obligation to report the expenses found by Promo-LEX observers in their bi-annual and annual financial statements.

II. FINANCIAL ASPECTS OF THE ELECTION CAMPAIGN

2.1. Legal Aspects of Election Candidates' Finances

2.1.1. The general ceiling on the amount of funds that can be transferred into the "Electoral Fund" accounts of election candidates

On 14 September 2016, the Central Electoral Commission established the ceiling for funds that can be legally transferred to "Electoral Fund" accounts at MDL 65 797538.85⁸. Promo-LEX EOM notes that this threshold is sufficient and presents below the evolution of this ceiling for the most recent elections.

⁸Article 38(2) (d) of the Electoral Code, CEC stipulates that CEC shall establish the general ceiling for the transfer of funds to the "Electoral Fund" account, using as a basis a coefficient multiplied by the number of voters from the constituency where the elections are held.

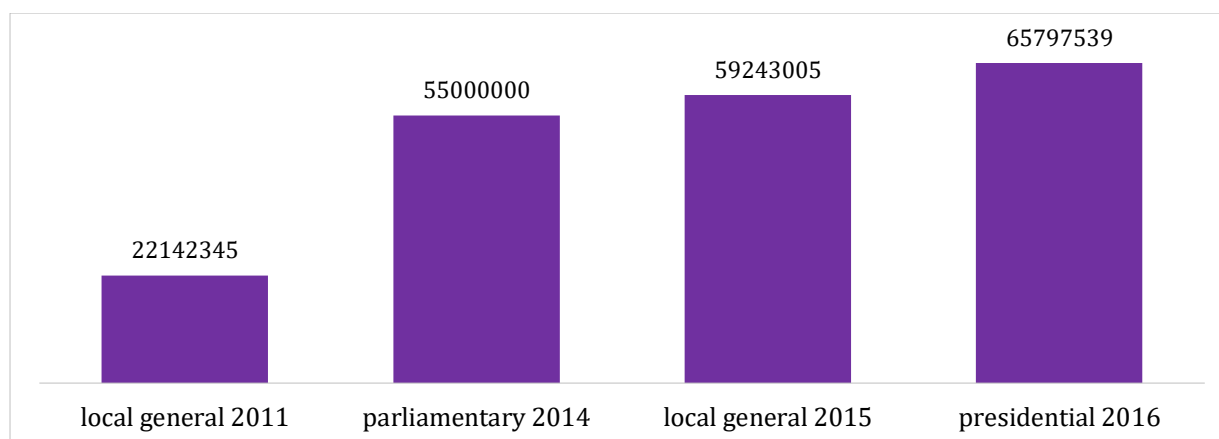


Chart 12. Evolution of spending limits across elections, MDL

2.1.2. Public material support for election campaigns

On 14 September 2016, CEC established an interest-free loan in the amount of MDL 30000 available to election candidates⁹.

Promo-LEX EOM found that CEC did not present or justify the formula used to establish the amount of the interest-free loan provided by CEC. At the same time, it emphasizes that no election candidate took advantage of this loan during the election campaign.

2.1.3. The opening (Round I) and reopening (Round II) of the “Electoral Fund” accounts and the introduction of treasurers

Promo-LEX EOM emphasizes that 6 election candidates in the electoral race (Marian Lupu, Andrei Nastase, Inna Popenco, Dumitru Ciubasenco, Iurie Leanca, Igor Dodon) had opened “Electoral Fund”¹⁰ accounts and appointed people responsible for their funds (treasurers) by 30 September 2016. Another 4 ECs (Mihai Ghimpu, Maia Sandu, Valeriu Ghiletschi, Silvia Radu) opened “Electoral Fund” accounts between 3 and 7 October 2016.

Promo-LEX EOM notes that, on 3 November 2016, the 2 ECs (Igor Dodon and Maia Sandu) that reached the second round of elections unlocked their Electoral Fund accounts and started the election campaign for the second round.¹¹

2.2. Final financial reporting by election candidates

⁹ According to Article 37 (1) of the Electoral Code, the state shall provide loans without interest to electoral candidates during the election campaign.

¹⁰ According to Article 38(2)(a) of the Electoral Code, the election candidates shall open “Electoral Fund” bank accounts, into which they can transfer their own funds, as well as other funds received as prescribed by law from individuals (Moldovan citizens or legal entities), and shall inform the Central Electoral Commission about the person responsible for their funds (the treasurer). Election candidates can not be appointed as treasurers. According to para. 4 of the same article, all expenses for the election campaign shall be made from the “Electoral Fund” account. Further, para. 7 of the same article stipulates the liability of bank with “Electoral Fund” accounts to inform the Central Electoral Commission about funds transferred into the election contestants’ accounts, daily or upon demand.

¹¹ According to Article 38 (2)(a) of the Electoral Code, electoral candidates may open bank accounts with the label “Electoral Fund” [...]. According to Point 12 of the Law on the Financing on Election Campaigns, the last transfer from the “Electoral Fund” account can be made no later than two days before the day of the election, and from then on transfers from that account are prohibited until the publication of the final financial statement. In the case of a second round of elections or a repeat vote, after electoral authorities take such a decision, the “Electoral Fund” account can be unlocked at the request of an EC. In the case of an “Electoral Fund” account not being opened, the EC is obliged to inform CEC that his or her campaign activities and electoral promotion do not involve financial expenses.

Promo-LEX EOM found that 11 ECs reported on time, in both the first round and the second round of the election. On 28 October 2016, in accordance with Article 38² of the Electoral Code and the schedule approved by the CEC¹², out of the 12 ECs in the electoral race, 11 EC (Marian Lupu (PDM), Mihai Ghimpu (PL), Iurie Leanca (PPPEM), Andrei Nastase (PPFDA), Inna Popenco (MSPRR), Dumitru Ciubasenco (PPPN), Maia Sandu (PPPAS), Igor Dodon (PPPSRM), Silvia Radu (IC), and Valeriu Ghiletschi (IC), Ana Gutu (IC)) submitted reports on cash flow and expenses incurred during the period 30 September – 28 October 2016; 1 EC (Maia Laguta (IC)) submitted reports stipulating that no expenditures had been incurred. On 11 November 2016, 2 ECs (Igor Dodon, Maia Sandu) submitted final reports, including the period of the second round of the election, 3-11 November.

2.2.1. Election candidates' revenue and expenditures as stated in their reports on election campaign funding

According to the final reports for the first and second rounds submitted to the CEC, the revenue declared by 11 ECs for the period of 30 September – 11 October 2016 amounts to MDL 59 426475, the expenses to MDL 59 186748, and the final balance to MDL 1458.

Marian Lupu accumulated MDL 24 250150, Dumitru Ciubasenco – MDL 9 053614, Igor Dodon – MDL 6 437072, Ana Gutu – MDL 40450, Mihai Ghimpu – MDL 4 438430, Valeriu Ghiletschi – MDL 503870, Silvia Radu – MDL 4 678990, Inna Popenco – MDL 2 851785, Maia Sandu – MDL 1 453414, Iurie Leanca – MDL 3 658000, Andrei Nastase – MDL 70000. The total amount of declared revenue constitutes 90.32% of the ceiling established for a single election candidate. None of the ECs exceeded the maximum threshold established by the Central Electoral Commission – MDL 65 797539. (See Chart 13).

ECs' sources of financing consist of:

- financial donations by 2895 individuals (to 9 ECs) amounting to MDL 52 408936;
- financial donations by 10 legal entities amounting to MDL 7 008200 to 5 EC (Iurie Leanca/PPPEM, Dumitru Ciubasenco/PPPN, Maia Sandu/PPPAS, Inna Popenco/MSPRR, Valeriu Gheletschi/IC);
- in-kind donations amounting to MDL 837765 for 4 ECs (Maia Sandu/PPPAS, Igor Dodon/PPPSRM, Inna Popenco/MSPRR, Dumitru Ciubasenco/PPPN).

According to the financial statements submitted to and made public by CEC, Promo-LEX EOM found that 2 election candidates (Dumitru Ciubasenco and Maia Sandu) recorded donations from a third party without showing the primary donor who originally transferred these funds to the third party's account. Promo-LEX EOM reiterates that, in this election campaign and elsewhere, this practice is a subtle method intended to conceal donors and avoid transparency and public supervision by citizens and supervision by the relevant bodies. An explanation is, therefore, requested for the procedure of transferring funds from the account of a party (as a legal entity) into the electoral fund, and how such transfers should be reflected in the financial statements.

¹² According to Article 38² (6) of the Electoral Code, the registered election candidates shall submit to CEC their reports on the funding of their election campaigns for the entire election period at least 2 days before the day of the election. The reports shall be published on the official website of CEC within 48 hours of receipt, in accordance with laws on the protection of personal data.

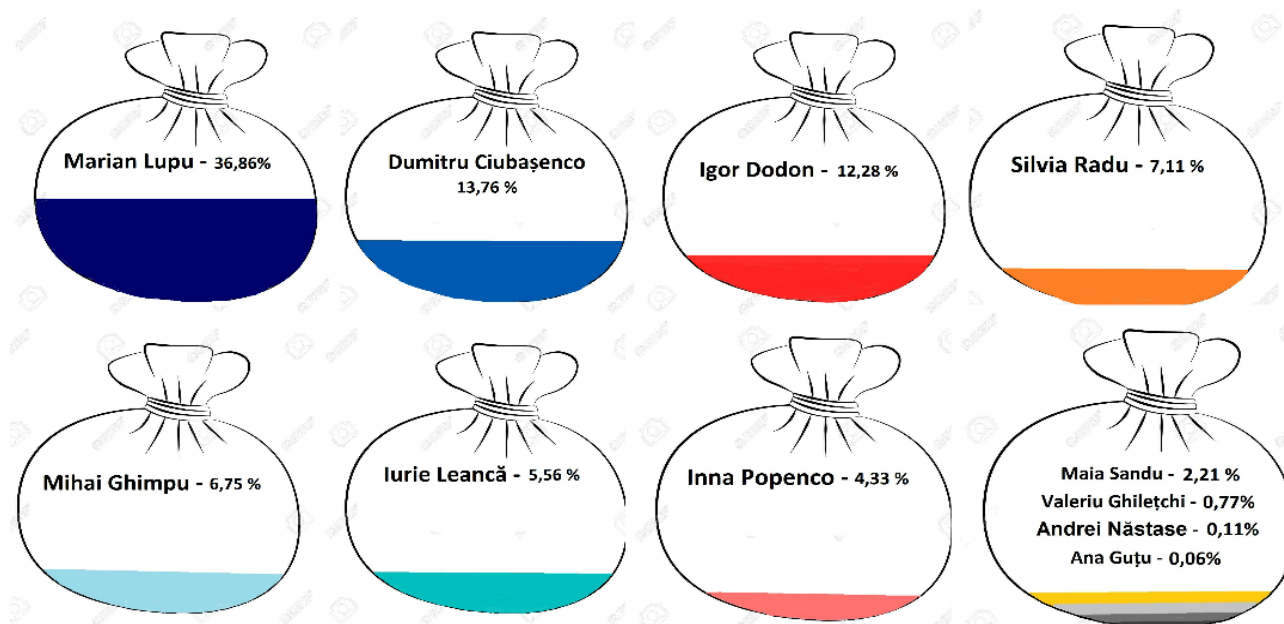


Chart 13. Revenues as a percentage of the regulatory limit, MDL 65 797539

According to Promo-LEX EOM analysis, there are 4 categories of donations:

- “very large” – over MDL 1 million: (Silvia Radu/IC – 1 donor; Dumitru Ciubasenco/PPPN – 1 donor; Inna Popenco/MSPRR – 1 donor);
- “large” – from MDL 75000 up to MDL 1 million: (Dumitru Ciubasenco/PPPN – 4 donors; Mihai Ghimpu/PL – 16 donors; Silvia Radu/IC – 13 donors; Iurie Leanca/PPPPEM – 4 donors; Inna Popenco/MSPRR – 2 donors);
- “medium” – from MDL 60000 up to MDL 75000: (Marian Lupu/PDM – 41 donors; Igor Dodon/PPPSRM – 8 donors; Iurie Leanca/PPPPEM – 4 donors; Mihai Ghimpu – 2 donors; Valeriu Ghilețchi/IC – 2 donors; Dumitru Ciubasenco – 1 donor);
- “other donations” – up to MDL 60000: (Marian Lupu/PDM – 1670 donors; Dumitru Ciubasenco/PPPN – 593 donors; Iurie Leanca/PPPPEM – 91 donors; Igor Dodon/PPPSRM – 298 donors; Mihai Ghimpu/PL – 3 donors).

Promo-LEX EOM notes that donations listed under the “large” and “very large” categories are subject to Section 20 of Regulation on Election Campaign Funding requiring the Main State Tax Inspectorate to verify the origin of financial contributions transferred to election candidates. At the same time, Promo-LEX EOM notes that 6 ECs have received “large donations” close to the MDL 75000 limit, meaning the donors (58) did not have to be verified by the MSTI. In accordance with the announcement by CEC, Promo-LEX EOM recommends that MSTI verify the origins of “large” and “very large” donations and that electoral authorities request that the Court of Accounts supervise the income sources of the electoral candidates receiving these categories of donations.

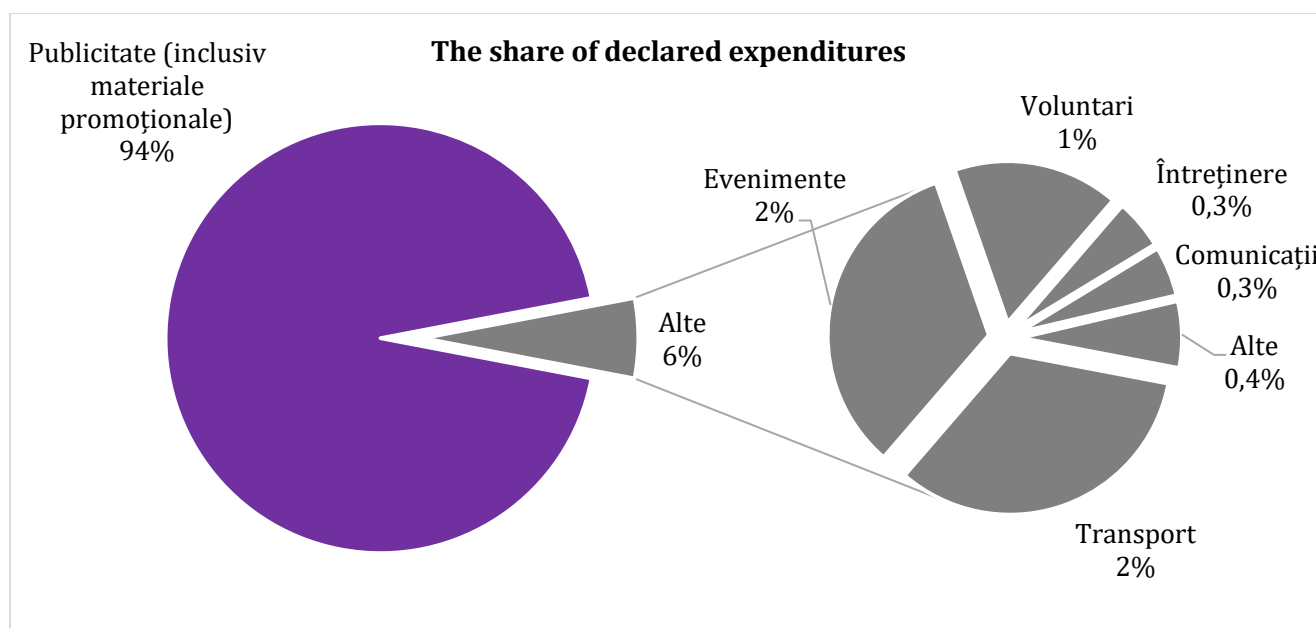


Chart 14. Distribution of declared expenditures

The largest share of reported expenditures went to advertising (89%), followed by promotional materials (5%), transport (2%), expenses for meetings and events (2%), expenses for delegations or detachments of people, including volunteers/observers (1%); for additional maintenance expenses (0.3%), for communications (0.3%), and for other expenses (0.4%) (See Chart 14).

a. Expenses for the organization of meetings and events

According to the financial statements, 9 ECs reported expenses for transporting people and goods amounting to MDL 637060: Igor Dodon – MDL 270317; Inna Popenco – MDL 154698; Dumitru Ciubasenco – 101949; Silvia Radu – MDL 40000; Mihai Ghimpu – MDL 33580; Maia Sandu – MDL 18098; Iurie Leanca – MDL 11458; Marian Lupu – MDL 6600; Valeriu Ghiletschi – MDL 360.

b. Advertising expenses

According to their financial statements, 11 ECs reported expenses amounting to MDL 52 416314 for advertising. Marian Lupu – MDL23 633530; Dumitru Ciubasenco – MDL7 235402; Igor Dodon – MDL7 703125; Silvia Radu – MDL4 547163; Iurie Leancă – MDL 3 473740; Mihai Ghimpu – MDL3 251052; Inna Popenco – MDL13 791333; Valeriu Ghiletschi – MDL 404116; Maia Sandu – MDL 696 993; Ana Gutu – MDL 31 252; Andrei Nastase – MDL60799.

c. Expenses for promotional materials

According to their financial statements, 10 ECs reported expenses for promotional materials amounting to MDL 3 188465: Mihai Ghimpu – MDL 1 152220; Marian Lupu – MDL 503815; Maia Sandu – MDL 436612; Igor Dodon – MDL 362375; Inna Popenco – MDL 247119; Dumitru Ciubasenco – MDL 220040; Iurie Leanca – MDL 169835; Valeriu Ghiletschi – MDL 74067; Silvia Radu – MDL 13304; Ana Gutu – MDL 9078.

d. Expenses for the transport of people and goods

According to the financial statements, 7 ECs declared expenses for transporting people and goods amounting to MDL 1 010323: Dumitru Ciubasenco – MDL 700000; Maia Sandu – 173040; Igor Dodon – MDL 76664; Marian Lupu – MDL 45000; Valeriu Ghiletschi – MDL 10467; Silvia Radu – MDL 10152; Andrei Nastase – MDL 3000.

e. Expenses for public opinion polling services

According to the financial statements, no ECs reported expenses related to public opinion polling services.

f. Additional maintenance expenses

According to their financial statements, 3 ECs reported maintenance expenses amounting to MDL 160236: Dumitru Ciubasenco – MDL 142336; Marian Lupu – MDL 12900; Andrei Nastase – MDL 5000.

g. Expenses related to delegations or detachments of people

According to their financial statements, only 3 ECs reported expenses related to delegations and detachments of people, amounting to MDL 802135: Dumitru Ciubasenco – MDL 641000; Maia Sandu – MDL 120692; Marian Lupu – MDL 36141; Igor Dodon – MDL 4302.

h. Consulting expenses

According to their financial statements, 3 ECs reported consulting expenses, amounting to MDL 83371: Silvia Radu – MDL 66123.90; Valeriu Ghiletschi – 12247; Marian Lupu – MDL 5000;

j. Expenses for communication services

According to their financial statements, 3 EC reflected expenses for communication services amounting to MDL 160183: Inna Popenco – MDL 152900; Maia Sandu – MDL 6250; Valeriu Ghiletschi – MDL 1033.

k. Other expenses

According to their financial statements, 11 ECs reported other expenses amounting to MDL 41867: Marian Lupu – MDL 7000; Dumitru Ciubasenco – 12,888; Iurie Leanca – MDL 2524; Igor Dodon – MDL 10989; Silvia Radu – MDL 1797; Inna Popenco – MDL 1023; Mihai Ghimpu – MDL 1576; Valeriu Ghiletschi – MDL 1430; Maia Sandu – MDL 1705; Andrei Nastase – MDL 855; Ana Gutu – MDL 80.

2.2.2. Expenditures found by Promo-LEX observers that were not reflected in election candidates' financial statements

a) Expenses for office rentals

According to Promo-LEX observers, 9 ECs used at least 168 offices in 35 district centers, Chisinau and Balti municipalities and ATUG: Iurie Leanca – 340 offices, Andrei Nastase – 6, Ana Gutu – 1, Maia Sandu – 1, Mihai Ghimpu – 27, Marian Lupu – 40, Inna Popenco – 6, Igor Dodon – 42, Dumitru Ciubasenco – 34, Silvia Radu – 1. Only 3 ECs reported such expenses in their statements submitted to CEC.

The expenses related to office rental fees were calculated by multiplying the minimum monthly rental fee per square meter for the period of the election campaign (Round I – 1.0 months, Round II – 1.5 months) by the total floor space of election candidates' offices. The minimum rental fee amounted to MDL 80 (in towns and suburbs of municipalities), MDL 100 (in Balti Municipality) and MDL 150 (in Chisinau Municipality). The minimum real amount of unreported expenses for the rental of 168 offices by 10 ECs was found by Promo-LEX observers to be MDL 573 895.

b) Expenses for office maintenance services

According to Promo-LEX observers, 10 ECs used at least 168 offices in all. No EC reported such expenses in their statements. The expenses for office maintenance services were calculated by multiplying the minimum monthly fee for one office for electricity – MDL 110, water – MDL 60, and gas – MDL 30, by the number of offices of each EC and by the period of activity of 1.0 months (Round I – 1.0 months, Round II – 1.5 months). The total unreported expenses for office maintenance services amount to at least MDL 38 496.

c) Expenses for Fixed and Mobile Telephone Services and Internet

According to Promo-LEX observers, 10 ECs used communication services during the election campaign. Only 3 ECs reported such expenses. Communication services include fixed and mobile telephone services and the Internet connections. The expenses for mobile telephone services were calculated by multiplying the number of people engaged in the campaign on behalf of each EC by the minimum monthly fee for mobile telephone services (MDL 51), and by the period of activity (Round I – 1.0 months, Round II – 1.5 months).

The expenses for fixed telephone and Internet services were also calculated by multiplying the number of offices belonging to each EC (reported by the Promo-LEX observers) by the minimum monthly fee for these services (fixed telephony – minimum fee of MDL 6, Internet per office – a fee of MDL 180), and by the period of activity (1.0 months). The total unreported expenses for communication services amount to at least MDL 268 394. (See Chart 15, which provides the cumulative expenses for office rental, office maintenance and communication services).

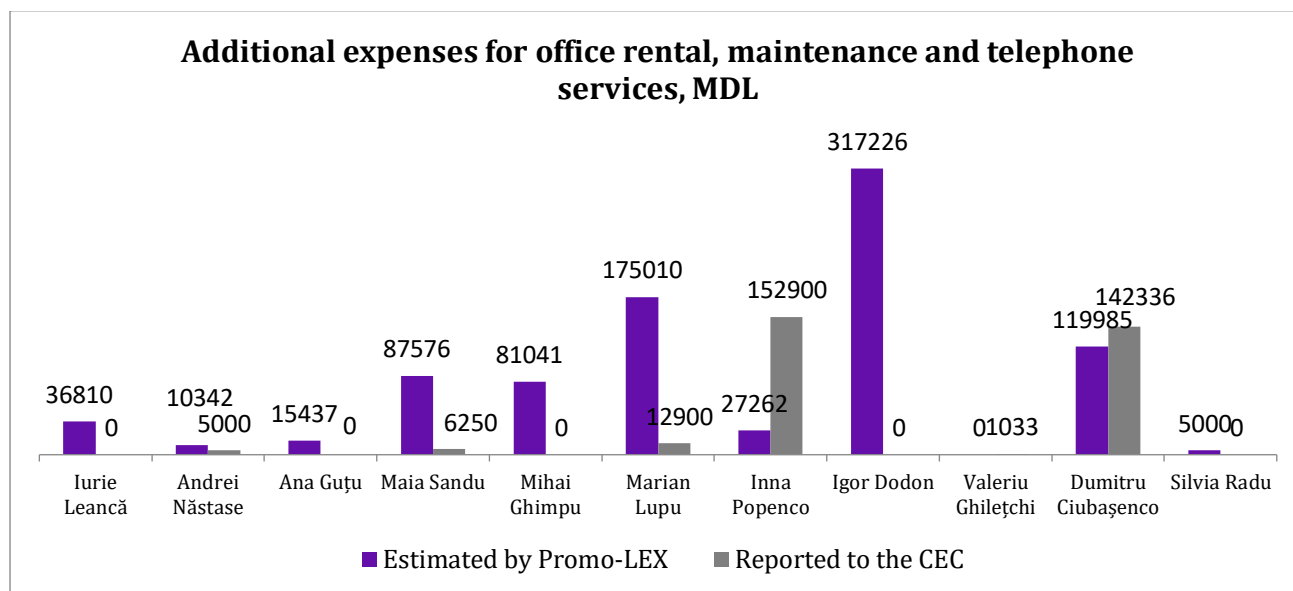


Chart 15. Additional expenses for office rental, maintenance and telephone services, MDL

d) Expenses for work remuneration

According to Promo-LEX observers' findings, 11 ECs hired at least 169 employees during the election campaign at their parties' central and regional representative offices: Iurie Leanca – 10, Andrei Nastase – 6, Maia Sandu – 1, Ana Gutu – 1, Mihai Ghimpu – 27, Marian Lupu – 40, Inna Popenco – 6, Igor Dodon – 42, Dumitru Ciubasenco – 34, Silvia Radu – 1, Maia Laguta – 1. For the compensation of at least 169 people employed by 11 different ECs, a total minimum amount of at least MDL 397 950 was estimated. No election candidate reported such expenses during the election campaign. (See Chart 16).

The payroll expenses were calculated by Promo-LEX EOM by multiplying the minimum guaranteed salary in the real sector for 2016 (MDL 2 100 per month) by the number of employees reported by Promo-LEX observers and by the length of the election campaign.

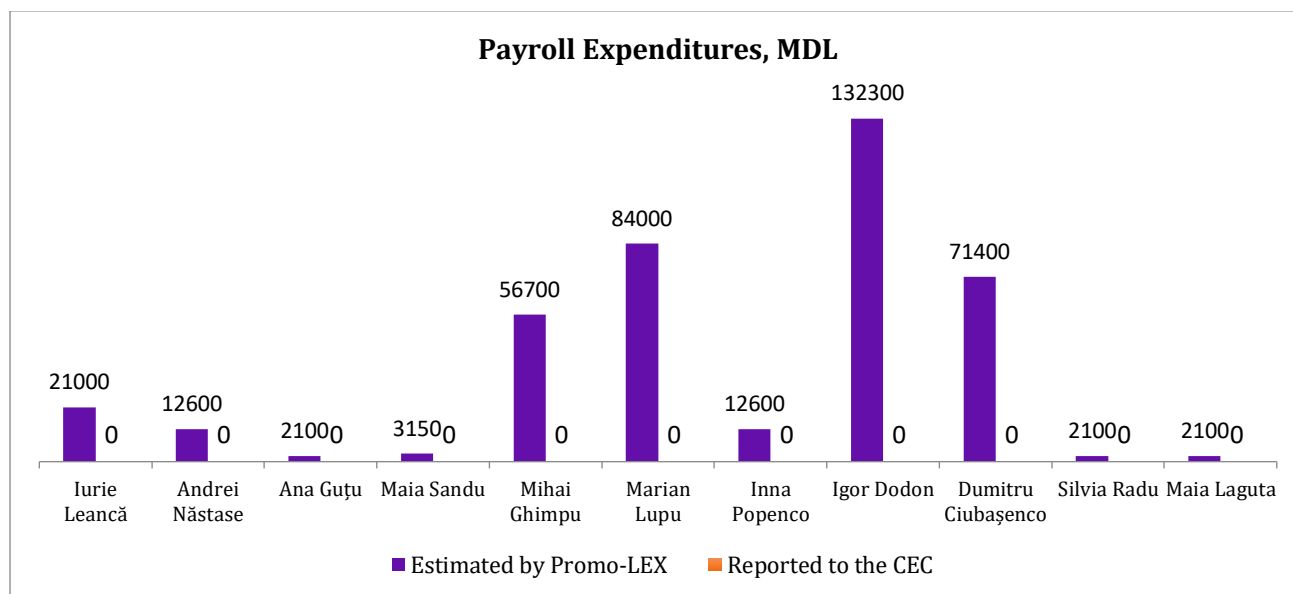


Chart 16. Payroll expenditures, MDL

e) Expenses for compensating volunteers / campaigners and observers on the day of the election

According to Promo-LEX observers, 10 ECs used volunteers during the first 4 weeks of the election campaign, and 5 ECs had observers on the day of the election (Round I). Only 3 election candidates (Dumitru Ciubasenco, Maia Sandu, Marian Lupu) reported such expenses; moreover, only Dumitru Ciubasenco reported concrete figures.

The expenses for volunteer compensation were calculated by multiplying the number of volunteers for each EC by the actual compensation reported by Promo-LEX observers. The involvement of at least 6090 volunteers in the daily campaigning activity of 10 ECs and rewards of MDL 100-300 were reported. In accordance with this methodology, the observers reported a minimum amount of MDL 100 as compensation. The expenses for observers were calculated based on the actual compensation that the partisan observers reported to Promo-LEX observers, and, for the candidates who did not report it, the lowest value of the reported compensation, or MDL 200.

Iurie Leanca had at least 100 volunteers during the campaign, and 364 observers on the day of the election; Andrei Nastase – 49 volunteers; Maia Sandu – 129 volunteers and 1984 observers for Rounds I, II; Mihai Ghimpu – 319 volunteers and 1173 observers (rewards of MDL 300/ observer); Marian Lupu – 3884 volunteers; Inna Popenco – 65 volunteers; Igor Dodon – 1056 volunteers and 3463 observers for Rounds I, II (rewards of MDL 500/1 observer); Dumitru Ciubasenco – 449 volunteers and 1252 observers; Silvia Radu – 12 volunteers; Ana Gutu – 1 volunteer. According to Promo-LEX EOM, the total

amount of rewards for 6 090 volunteers / campaigners for one day of campaigning is at least MDL 533 400, and the total amount estimated for 4 929 observers is at least MDL 2 268 600. (See Chart 17).

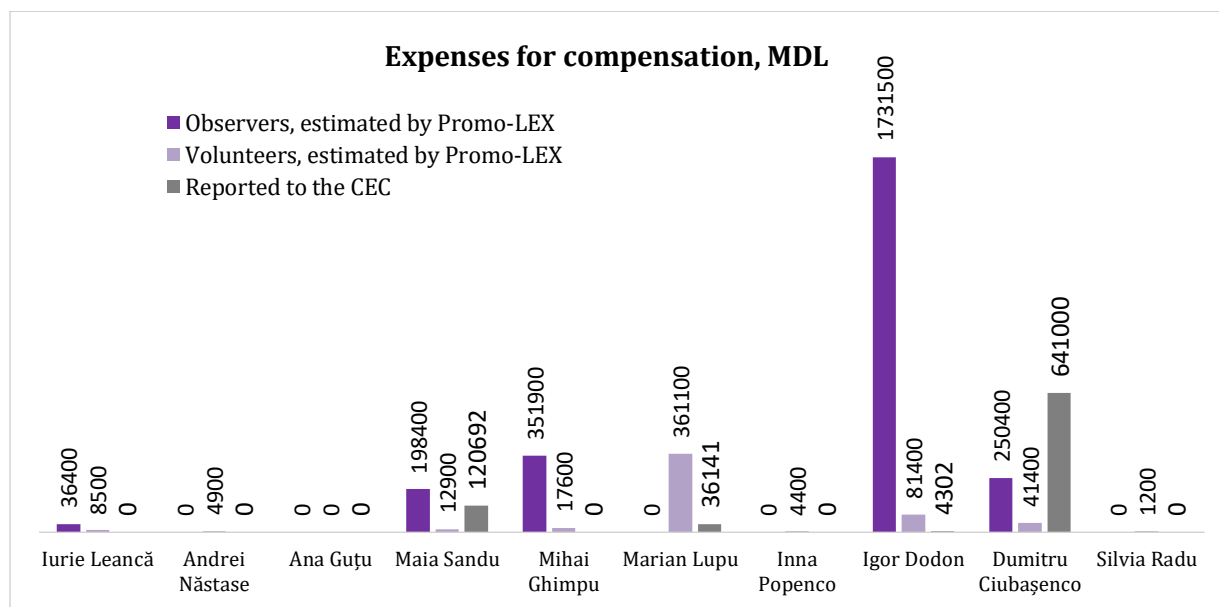


Chart 17. Expenses for compensation, MDL

f) Transportation expenses

Promo-LEX observers reported the use of vehicles for trips for electoral purposes within Moldova by at least 12 ECs. Only 7 ECs reported such expenses in the statements they submitted to CEC. Out of 12 ECs, 5 ECs (Iurie Leanca, Ana Gutu, Mihai Ghimpu, Inna Popenco, Maia Laguta) failed to report a total amount of at least MDL 43 495.

This calculation was done by multiplying an average fuel consumption of 91/100 km (car), 101/100 km (minibus), 351/100 km (bus) by the distance travelled and by the fuel price of MDL 16.6/l. (See Chart 18)

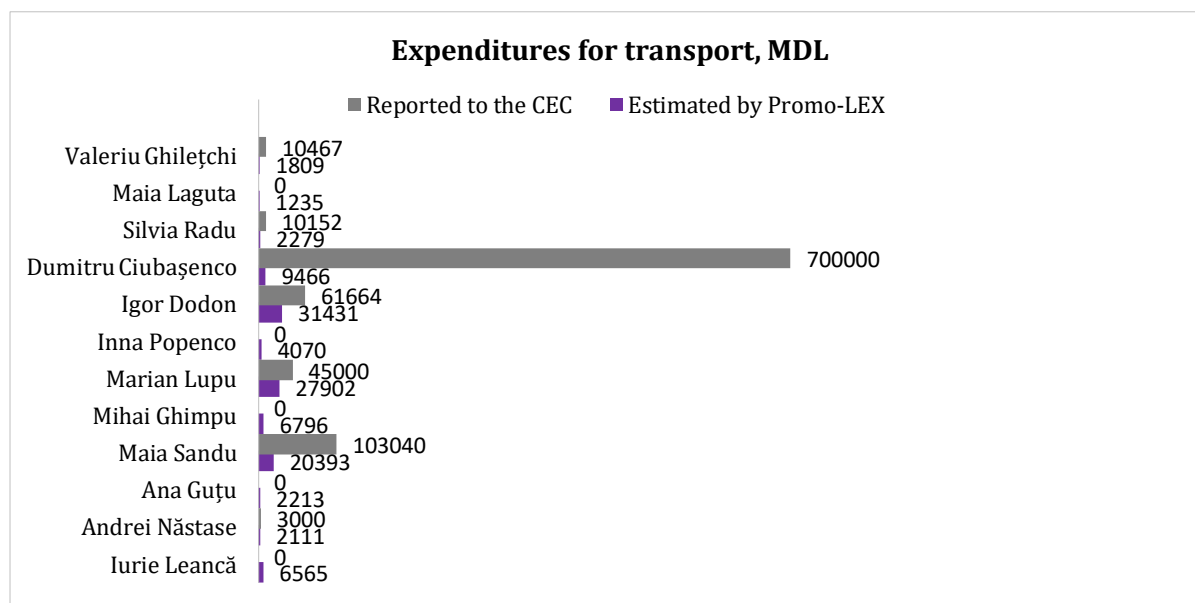


Chart 18. Transportation expenses, MDL

g) Expenses for promotional materials

According to Promo-LEX observers, 4 ECs fully or partially failed to report expenses for promotional materials in the reports on the funding of their election campaigns submitted to CEC. The calculation of these expenses was done by multiplying each type of promotional material reported by Promo-LEX observers by the minimum market prices for those materials. According to Promo-LEX observers, the estimated minimal monthly price for an A3 glossy paper poster is MDL 2.5 for a print run of 5000 copies; an A3 color glossy paper calendar – MDL 2.5; an A4 matte paper poster – MDL 0.5 for a print run of 15000 copies, for a brochure/book of 110 pages – MDL 49.9, for a newspaper – MDL 0.48 for a print run of 100000 copies, for a 21x20cm² flyer – MDL 2, for a door hanger for a print run of 200000 copies, glossy paper – MDL 2.5; a 10x12cm² folding leaflet – MDL 0,5 for a print run of 300000 copies – MDL 0.5; a 10x12cm² folding leaflet for a print run of 50,000 copies – MDL 1. One balloon with a message and logo costs MDL 2.5, 1 magnet with a message and logo – MDL 3.5, 1 A5 flyer – MDL 0.5, 1 9x11, 5cm² transfer picture – MDL 3. The total expenses for advertising amount to at least MDL 4 359300. (See Chart 19)

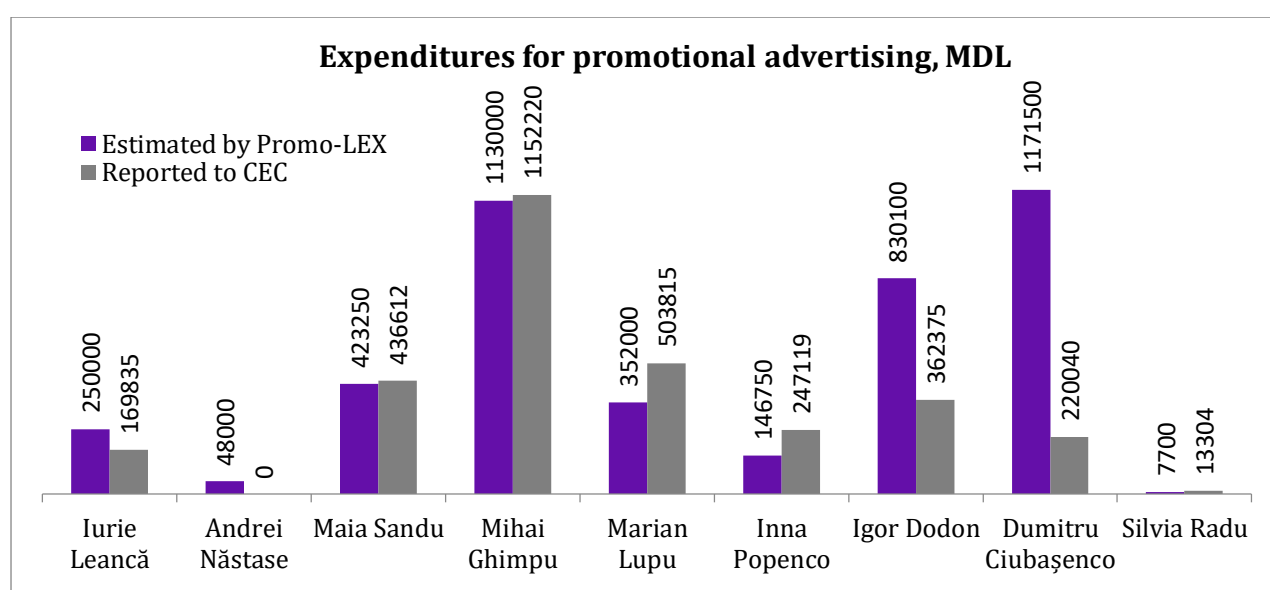


Chart 19. Expenses for promotional materials, MDL

Concerning Marian Lupu (PDM), Promo-LEX observers reported materials that did not indicate the printing order as prescribed by law: folded leaflets of 4 pages, colour cardboard of dimensions 20x10cm², print run 60,000 copies, Fabrica Disa SRL TypoCharty of 23 September 2016; A4 folded leaflets, Fabrica Disa SRL Typography of 29 September 2016, print run 40000; A3 posters, colour glossy paper, Estate Design SRL Typography, print run 40000 copies, order No 1417, Fabrica Disa Typography; A3 calendars, print run 25000 copies, Estate Design Typography; newspapers order No 1475, print run 20000 copies, Fabrica Disa SRL Typography; 21x20cm² folded leaflets, print run 40000 copies, Fabrica Disa SRL Typography. Promo-LEX EOM has estimated a total cost of at least MDL 352000.

Concerning the EC Dumitru Ciubasenco (PPPN), Promo-LEX observers reported “Puterea e în adevăr” (“Power is in Truth”) newspapers of 8 pages, colour matte paper, Universul SRL Typography, order No 1302, print run 150000 copies (Ru), according to Invoice No 1703 of 29 September 2016; A3 calendars without typographical data; “Puterea e în adevăr” (“Power is in Truth”) newspapers, Issue 12, (Ru), print run 200000 copies, Universul Typography, order No 1400, paid from Electoral Fund No 1703 of 29 September 2016; newspapers “Puterea e în adevăr” (“Power is in Truth”), Issue 12; print run 200000 copies; order No 1426, Universul Typography; flyers with the slogan “Votați Dumitru Ciubasenco” (“Vote for Dumitru Ciubasenco”), print run 150000 copies, Europres SRL Typography, paid from the Electoral Fund according to Invoice No 413 of 4 October 2016; A3 posters, T.E.U. Typography,

order No 30000 copies paid from Electoral Fund according to Invoice No 1724 of 4 October 2016; A4 posters, print run 200 copies, Europres SRL Typography, according to Invoice No 383 of 30 September 2016; A4 posters of 30x40 cm, 20x30cm without typographical data. Newspapers "Puterea e în adevăr" ("Power is in Truth"), Issue 13, Universul Typography, print run 5,000 copies, com. No 1545 of 20 October 2016; folded leaflets "Puterea e în adevăr" ("Power is in Truth"), print run 250,000 copies, Universul Typography of 13 October 2016; newspapers print run 185000 copies, Edit Tipar Grup SRL Typography, order No 960 of 13 October 2016; A4 posters, order No 1302, print run 150000 copies, newspapers "Puterea e în adevăr" ("Power is in Truth"), print run 250000 copies, Universul Typography, order No 1753 of 13 October 2016. Promo-LEX EOM has estimated total expenses of at least MDL 1 171500.

Concerning the EC Mihai Ghimpu (PL), Promo-LEX observers reported colour flyers of 15x21cm², Tipografia-Sirius Typography, Contract No 34 of 22 September 2016, print run 100000 copies; colour flyers of 15x21cm², Tipografia-Sirius Typography, Contract No 34 of 22 September 2016, print run 200,000 copies, colour newspapers of 8 pages, TIPOMEDIA PROD SRL Typography, Contract No 11/2016 of 1 October 2016, print run 200000 copies, fridge magnets manufactured by Baster-Media SRL, order No 8446 of 23 September 2016. A4 posters, Monarch SRL Poliart Typography, print run 25,000 copies; colour A4 folded leaflets (2X1), Monarch SRL Poliart Typography, print run 100000 copies; 7x10cm colour calendars, Monarch SRL Poliart Typography, print run 25000 copies; colour A3 bill sticking of PL, Tipografia-Sirius Typography, Contract No 34 of 22 September 2016, print run 50,000 copies; promotional products – the "Ghid Electoral" ("Electoral Guide") book, 110 pages, without typographical data. 20x10cm² flyers print run 200000 copies, Print Studio SRL Typography, A3 posters, print run 50000 copies, Tipografia-Sirius Typography, door hangers, print run 200000 copies, Print Studio SRL Typography, A5 folded leaflets, print run 100,000 copies, Tipografia-Sirius Typography. Promo-LEX EOM has estimated expenses of at least MDL 1 130000.

Concerning the EC Iurie Leanca, the Promo-LEX observers reported 15x20cm² colour folded leaflets of 4 pages, Monarch SRL Poliart Typography, print run 100000 copies, without the printing date and number of the order; small colour paperboard calendars of 10x7cm², without the number of the order, print run 25000 copies, A4 posters, Monarch SRL Poliart Typography, print run 25000 copies. Folded leaflets, 20x21cm², print run 50000 copies, Poliart Typography of 7 October 2016. Promo-LEX EOM has estimated a total cost of at least MDL 250000.

Concerning Inna Popenco, Promo-LEX observers reported 4-page 10x20cm² color folded leaflets, Tipar&SI Typography, print run 25000 copies (Ru), without printing date and number of command; 4-page 10x20cm² color folded leaflets, Tipar&SI Typography, print run 25000 (Ro), without the printing date and the number of the order; A3 posters, colour glossy paper, Novaimprim SRL Typography, on 30 September 2016, print run 1,500 copies, newspapers, Edit Tipar Grup SRL Typography, print run 100000 copies, com. No 909; questionnaires – colour matte paper, Primex Com SRL Typography, contract No 05/A of 30 September 2016, print run 75000 copies, 3000 balloons with the EC's logo, A3 posters, Nova-imprim SRL Typography, print run 600 copies, 6 October 2016; "Schimbare pentru Moldova" ("Change for Moldova") newspaper, GRUP SRL Typography, com. No 909 of 1 October 2016, print run 100000 copies, A3 posters, print run 1500 copies. Promo-LEX EOM has estimated a cost of at least MDL 146750.

Concerning Ana Gutu (PPD), Promo-LEX observers reported 21x15cm² folded leaflets with political advertising, colour glossy paper, without typographical and print run data, A4 PPD folded leaflets of 2 pages, without typographical data. Promo-LEX EOM had no data to make the necessary estimates.

Regarding IC Silvia Radu, Promo-LEX observers reported A3 colour posters. Nova-Imprim Typography, print run 1000 copies, 11 October 2016; A3 posters, paid from the Election Fund, Nova-Imprim Typography, print run 1000 copies, 11 October 2016; A3 folded leaflets, print run 1000 copies, Nova-Imprim Typography, 100 plastic bags and notebooks, T-shirts without date and print run data. Promo-LEX EOM has estimated a cost of at least MDL 7700.

Concerning Andrei Nastase, the Promo-LEX observers reported “Demnitate și Adevăr” (“Dignity and Truth”) newspapers of 8 pages, colour matte paper, Edit Tipar Grup SRL Typography, order No 868, print run 100000 copies (RO). Promo-LEX EOM has estimated a total of at least MDL 48000 of expenses.

Promo-LEX EOM continues to find non-compliance with the legal requirement on reporting expenditures for promotional materials and finds improper completion of reports in this respect. The election candidates concerned (Marian Lupu, Mihai Ghimpu, Silvia Radu, Igor Dodon, Maia Sandu, Inna Popenco, Dumitru Ciubasenco, Ana Gutu, Iurie Leanca) did not include in their reports (as required by law) typographical data for their promotional materials, thus creating impediments to the process of assessing the accuracy of reporting and ensuring the transparency of the payments made, as well as clarifying the actual expenditures for this purpose. Simultaneously, Promo-LEX EOM has found improper printing of typographical data on some samples of the promotional materials of 3 ECs (Marian Lupu, Igor Dodon, Ana Gutu).

Regarding Maia Sandu (PPPAS), Promo-LEX observers reported folded leaflets of dimensions 15x20cm², print run 300,000 copies; order 712, folded leaflets 15x20cm², print run 45,000 copies, from 4 November 2016, order 716; folded leaflets 15x20 cm², print run 1500 copies from 4 November 2016, order 715; folded leaflets 15x20cm², print run 100000, order 718 from 4 November 2016; A4 posters, print run 200000 copies, from 6 November 2016, No 720 – all printed by “BALACRON” Typography. Promo-LEX EOM has estimated that the expenses amounted to at least MDL 423250.

Concerning Igor Dodon (PSRM), Promo-LEX observers reported “Programul Electoral” (“Electoral Program”) booklets of 12 pages, colour glossy paper, 21x23cm², Arva Color SRL, order No 0604, 50000 copies, according to Invoice No 0676 of 3 October 2016, “Programul Electoral” (“Electoral Program”) booklets of 12 pages, colour glossy paper, 21x23cm², Arva Color SRL, order No 0605, 50000 copies; “Socialistii” (“The Socialists”) newspapers of 14 pages, colour matte paper, Edit Tipar Group SRL, order No 904, 65000 copies (RO), order No 923, 40000 copies (RO), order No 924, 60000 copies, Invoice No 3 of 30 September 2016 (RU), order No 905, 125000 copies (RU) – all printed on 30 September 2016; A3 calendars, colour glossy paper, Arva Color SRL, order No 0606, 25000 copies. According to Invoice No 0678 of 3 October 2016, small colour cardboard calendars of 10x7cm², order No 0614, 10000 copies, Invoice No 0686 of 10 October 2016; A3 calendars, colour glossy paper, Arva Color SRL, order No 0607, 25000 copies. According to the Invoice No 0679 of 03.10.2016 – about 550 copies of 20x23cm² booklets, printed at Arva Color SRL; Invoice No 0676 of 03.10.2016 – A4 posters, Arva Color SRL, order No 0596, 10000 copies; A4 posters, Arva Color SRL, order No 0599, 1000 copies; A4 posters, Arva Color SRL, order No 0601, 1000 copies; A3 posters, Arva Color SRL, order No 0621, 5000 copies; A4 posters, Arva Color SRL, order No 0595, 100000 copies, order No 0598, Arva Color SRL; 9x11,5 cm²stickers – 1000 copies, order No 0598 of 03.10.2016; “Socialistii” newspaper (RO), 120000 copies, order No 991, “Socialistii” newspaper (RU), 185000 copies, order No 992, “Edit Tipar Grup SRL”, of 22.10.2016; 21x20cm² colour folded leaflets, 30000 copies, order No 0627 of 21.10.2016; A4 posters, Arva Color SRL, order No 0630, 40000 copies, according to invoice No 0701 of 03.11.2016; “Socialistii” newspaper, “Edit Tipar Grup SRL”, order No 1038, 200,000 copies, invoice No 7 of 03.11.2016; “Socialistii” newspaper, “Edit Tipar Grup SRL”, order No 1037, 125000 copies. Promo-LEX observers also reported that there were folded leaflets containing 2 types of denigrating messages about EC Maia Sandu (15x22cm²) – neither had information about the printer on them, and the information there was similar to the information on page 7 of the PPPSRM party newspaper entitled “Socialistii”, issue No 23. Promo-LEX EOM therefore assumed that they were ordered by the candidate Igor Dodon, but the money paid for these leaflets denigrating EC Maia Sandu was not reported. Promo-LEX EOM has estimated total expenses of at least MDL 654100.

Promo-LEX EOM found at least one instance (EC Mihai Ghimpu) when the legislation on the financing of election campaigns was violated (Article 38(4) of the Electoral Code), and at least 5 ECs (Igor Dodon, Mihai Ghimpu, Iurie Leanca, Dumitru Ciubasenco, Andrei Nastase) committed violations falling under Article 48⁴(3) of the Contraventional Code.

EC Mihai Ghimpu did not include money paid to the printing company whose name was on some advertising materials (with a print run of 100000 copies), “TIPOMEDIA PROD SRL” in either the

bimonthly financial reports or the final cash flow and campaign expense statements. The material was printed under a contract dated 1 October 2016, specifying payment from the "Electoral Fund" account of the candidate. This constitutes a violation not only because of the lack of reporting, but also because Mihai Ghimpu incurred expenses for printing promotional products such as newspapers before the "Electoral Fund" account was opened on 3 October 2016. Article 38(4) of the Electoral Code states that all expenses for election campaigns must be covered by the Electoral Fund, meaning the law was violated in this case.

Furthermore, another 5 ECs did not include actual costs in their final reports (round I, II) or failed to include certain expenses for leaflets. For the second round of elections, one EC (Igor Dodon) did not report the expenses for the leaflets containing denigrating messages about his electoral rival, Maia Sandu. Promo-LEX EOM underscores that the failure to report expenses and the submission of incomplete data are subject to a fine from 300 to 500 conventional units under Article 48¹(3) [...]. The fine should be imposed on those responsible.

h) Expenses for advertising in the local/regional written media

According to Promo-LEX observers 10 ECs incurred expenses for advertising in the written media amounting to at least MDL 476,084 during the indicated period. Moreover, Promo-LEX EOM states that these expenses are included in election candidates' reports and they amount to MDL 5,461,447. (See Chart 20).

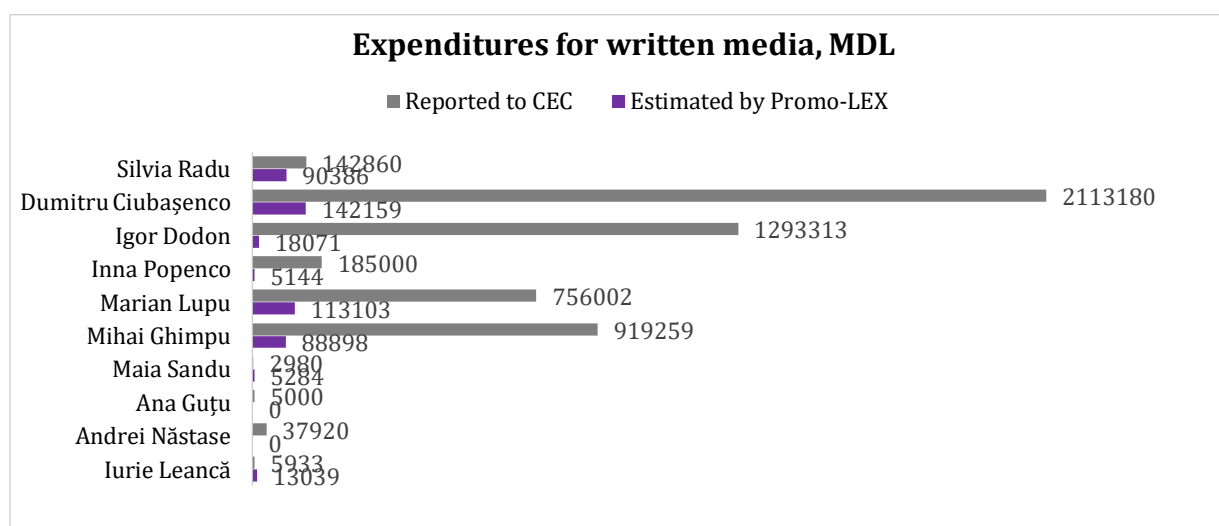


Chart 20. Expenditures for written media, MDL

i) Expenses for public events

According to Promo-LEX observers, at least 4 ECs (Dumitru Ciubasenco, Marian Lupu, Igor Dodon, Mihai Ghimpu) and 1 political party (PPPDA) incurred expenses for organizing 12 concerts. At least 10 singers performed at the concerts. 3 ECs (Marian Lupu, Dumitru Ciubasenco, Mihai Ghimpu) did not report their actual expenses for this category. The estimated unreported expenses amount to at least MDL 129818.

Expenses for public events include publicity in the media, fees for artists, additional costs for renting venues, stages, sound equipment, etc. The methodology for calculating the expenses for election events/concerts was multiplying the fee (market rate) for each artist's to perform for a potential EC multiplied by the actual working time per event.

According to the Promo-LEX Monitoring Effort estimates, the total expenses for public events amount to at least MDL 326164.

According to observers' findings, Dumitru Ciubasenco organized 3 electoral concerts. Natalia Gordienko (2), the dance ensemble from Tomai village, popular ensemble Juravusca, Vitalie Dani, Nelly Ciobanu, Doredos band, Cristina Croitoru, and Brio Sonores band performed for this EC. There were fireworks for durations of 5 and 10 minutes at 2 of the concerts. A mobile stage was transported to one concert. Promo-LEX EOM estimated expenses of at least MDL 64530 for artists' fees, fireworks worth MDL 30000, and the cost for the mobile stage at MDL 22 000.

Igor Dodon organized 2 electoral concerts. Aliona Moon, Olga Ciolacu (3), Natalia Gordienko, Pasa Parfenii, and Lume band performed at these concerts. Promo-LEX EOM estimated that the expenses amounted to at least MDL 69980 for artists' fees and to MDL 20000 for fireworks.

Marian Lupu organized 5 electoral concerts. Lenuta Gheorgita, Mihai Ciobanu, Victoria Lungu (3), Mariana Sura, folklore ensembles from different districts, soloists, and instrumentalists performed for this EC. Fireworks (1). One article of dimensions 1213cm² in the newspaper "Evenimentul actual" ("Current Event"), and one 8x10m² banner were reported. Promo-LEX EOM estimated that the expenses for artists' fees amounted to at least MDL 46220, the expenses for broadcasting the event to MDL 4488, and the expenses for fireworks to MDL 20000.

Mihai Ghimpu organized 1 concert launching his election campaign. Vali Boghean performed for at that concert. Promo-LEX EOM estimated the expenses for artists' fees amounted to at least MDL 10000. Rental expenses were estimated at MDL 15718.5, and the cost of promoting the event on the www.privesc.eu network was estimated at MDL 17227.2.

PPPDA organized at least 1 concert during the election campaign, after which it withdrew from the electoral race, and then supported the EC Maia Sandu. Mariana Sura performed at this concert. Promo-LEX EOM estimated expenses amounting to at least MDL 6000 for artists' fees. (See Chart 21).

Promo-LEX EOM found one instance when an election candidate (Maia Sandu) was supported by another party (PPPDA), which constitutes a donation from a third party because the legal framework on the financing of political parties and election campaigns does not provide for such a situation.

Promo-LEX EOM recommends changing legislation in this regard so that it regulates material/financial donations from third parties.

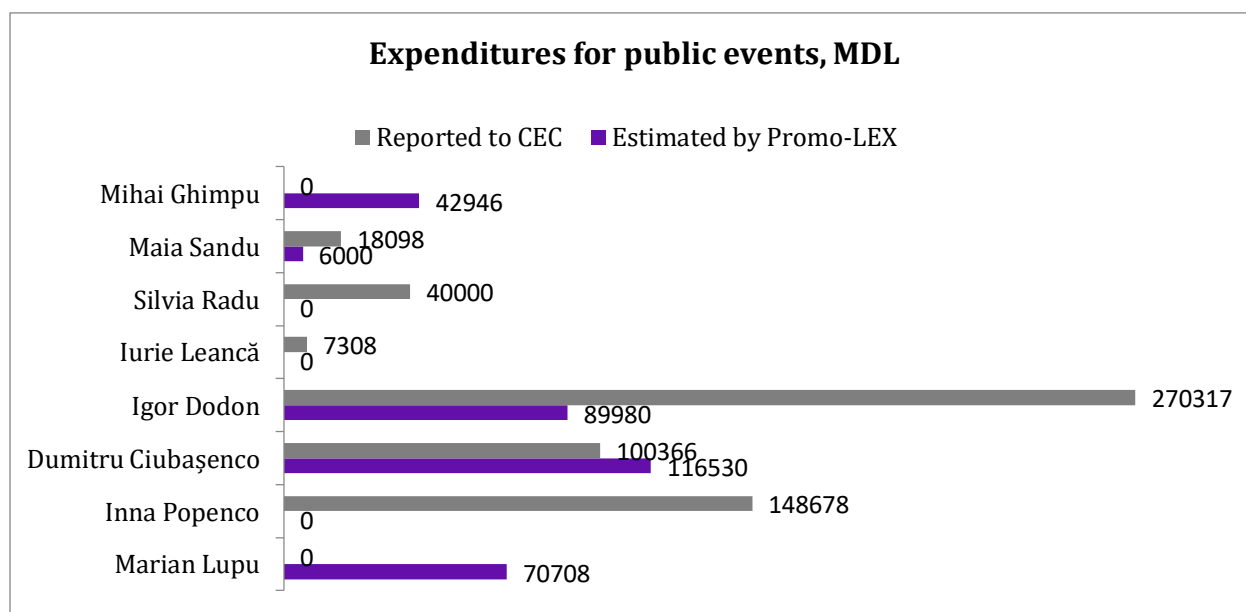


Chart 21. Expenses for public events, MDL

j) Expenses for outdoor and mobile advertising

According to Promo-LEX observers 9 ECs incurred expenses for outdoor and mobile advertising during the indicated period. Most of the expenses were included in their reports, except for those of 4 ECs: Igor Dodon, Mihai Ghimpu, Inna Popenco, and Andrei Nastase. Promo-LEX EOM found that in all 4 cases the expenses were reported incompletely.

According to fact-checking by Promo-LEX EOM, the minimum monthly fee to place a billboard of dimensions 6X3 m² is at least MDL 6660, a billboard of dimensions 15X12 m²/20X10 m² – at least MDL 20200, an LED billboard – MDL 7770, a billboard of dimensions 1.8X2 m² – at least MDL 2220, a banner of dimensions 1.5X2 m² – at least MDL 2000, TV advertising in 6 markets in the Nr.1 supermarket chain (for 30 days, 10 min a day, from 9.00 a.m. to 10.00 p.m.) – MDL 144330. According to estimates, the expenses for billboards for 4 weeks amount to at least MDL 6 221378.

Regarding Igor Dodon, Promo-LEX observers reported 102 billboards of dimensions 3X6m², 88 city lights, 99 banners of dimensions 2x1m², 4 billboards of dimensions 6x15m², 1 tent and 2 LED billboards. Regarding Mihai Ghimpu, Promo-LEX observers reported 69 billboards of dimensions 6X3m², 81 city lights, 71 banners of dimensions 2x1m². Regarding Inna Popenco, Promo-LEX observers reported 56 billboards of dimensions 6X3m², 282 banners of dimensions 2x1m², 1 billboard of dimensions 3x12m², and TV advertisements in the Nr.1 supermarket chain. Regarding Andrei Nastase, Promo-LEX observers reported 4 banners of dimension 2x1m², 1 tent. According to Promo-LEX EOM estimates, Igor Dodon failed to report at least MDL 606505 in his financial statement, Mihai Ghimpu – MDL 199541, Inna Popenco – MDL 56280, and Andrei Nastase – MDL 11000. (See Chart 22).

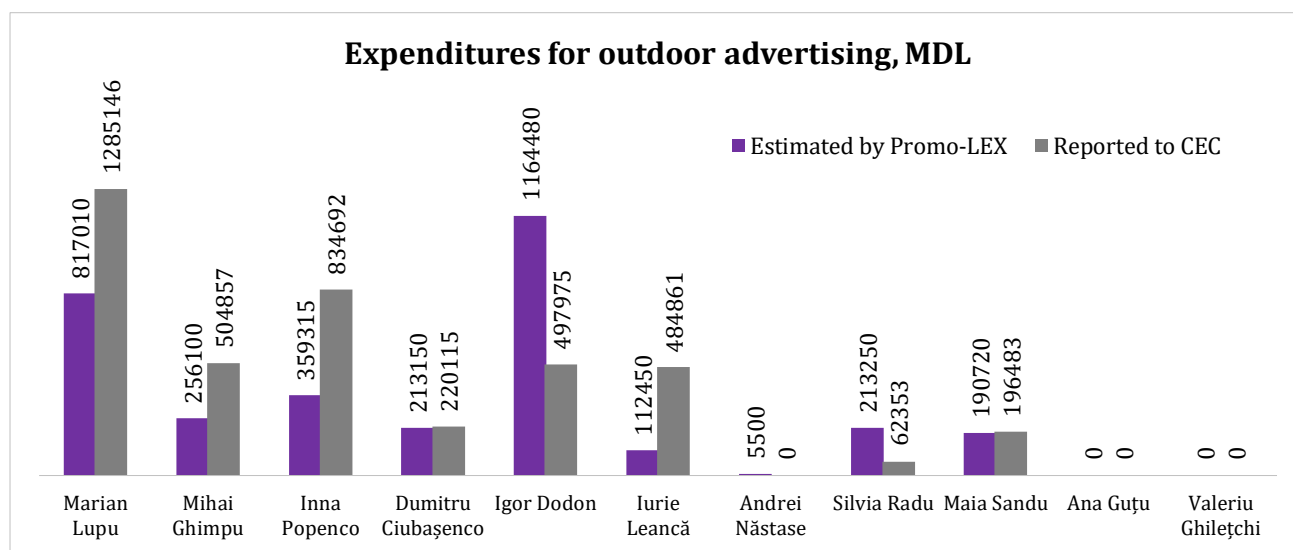


Chart 22. Expenses for outdoor advertising, MDL

k) Expenses for online advertising

Before 29 October 2016, Promo-LEX EOM found that 10 election contestants (Marian Lupu, Igor Dodon, Mihai Ghimpu, Iurie Leanca, Dumitru Ciubasenco, Silvia Radu, Inna Popenco, Ana Gutu, Mihai Ghimpu, Igor Dodon, Silvia Radu, Iurie Leanca) used online advertisements – sponsored pages on Facebook and web banners on a number of websites. Only 6 ECs reported expenses similar to the estimates made by Promo-LEX EOM.

The formula for calculating the costs of sponsored pages on Facebook is the number of days when the advertisement was observed multiplied by a EUR 5 (MDL 111) fee for each sponsored post. The costs

for online banners were calculated by multiplying the number of online advertising companies that own the platforms presented below with the price of EUR 350/month (MDL 7770).

Promo-LEX EOM found that 4 of the ECs mentioned above (Mihai Ghimpu, Igor Dodon, Silvia Radu, Inna Popenco) did not report fully these expenses, and estimated an amount of MDL 465,687 of expenses unreported by these 4 ECs: Mihai Ghimpu – MDL 252778, Silvia Radu – MDL 105400, Inna Popenco – MDL 54926, Igor Dodon did not report at least MDL 52268.

Concerning Igor Dodon, Promo-LEX observers reported at least 3 unique sponsored posts on Facebook and online banners on at least 14 different websites, all running for 28 days: www.unimedia.md – 1000X250 px banner; www.agora.md – 1000X250 px banner, www.acasa.md – 1000X250 px banner, www.perfecte.md – 1000X250 px banner, www.ea.md – 1000X250 px banner, www.point.md – 1000X250 px banner, www.protv.md – 1000X250 px banner, www.mail.ru – 300X400 px banner, www.inprofunzime.md – 1000X250 px banner, www.sporter.md – 1000X250 px banner, www.play.md – 1000X250 px banner, www.mama.md – 1000X250 px banner.

Concerning Mihai Ghimpu, Promo-LEX observers reported at least 9 unique sponsored posts on Facebook and online banners on at least 4 different websites, all running for 28 days: www.unimedia.md – rich media banners, www.agora.md – classic and rich media banners, www.ea.md – rich media banners, www.kankan.md – classic online banners.

Concerning Silvia Radu, Promo-LEX observers reported at least 3 unique sponsored posts on Facebook and online banners on at least 4 different websites, all running for 28 days: www.ea.md, www.agora.md, www.kp.md, www.unimedia.md – classic online banners. (See Chart 23).

Concerning Inna Popenco, Promo-LEX observers reported at least 3 unique sponsored posts on Facebook and online banners on at least 4 different websites, all running for 20 days: www.ea.md, www.agora.md, www.kp.md, www.unimedia.md – classic online banners.

Concerning Maia Sandu, Promo-LEX observers reported online banners on at least 2 different websites, all running for 10 days: www.unimedia.md, www.agora.md – classic online banners, rich media banners and on [skype](https://www.skype.com). (See Chart 23).

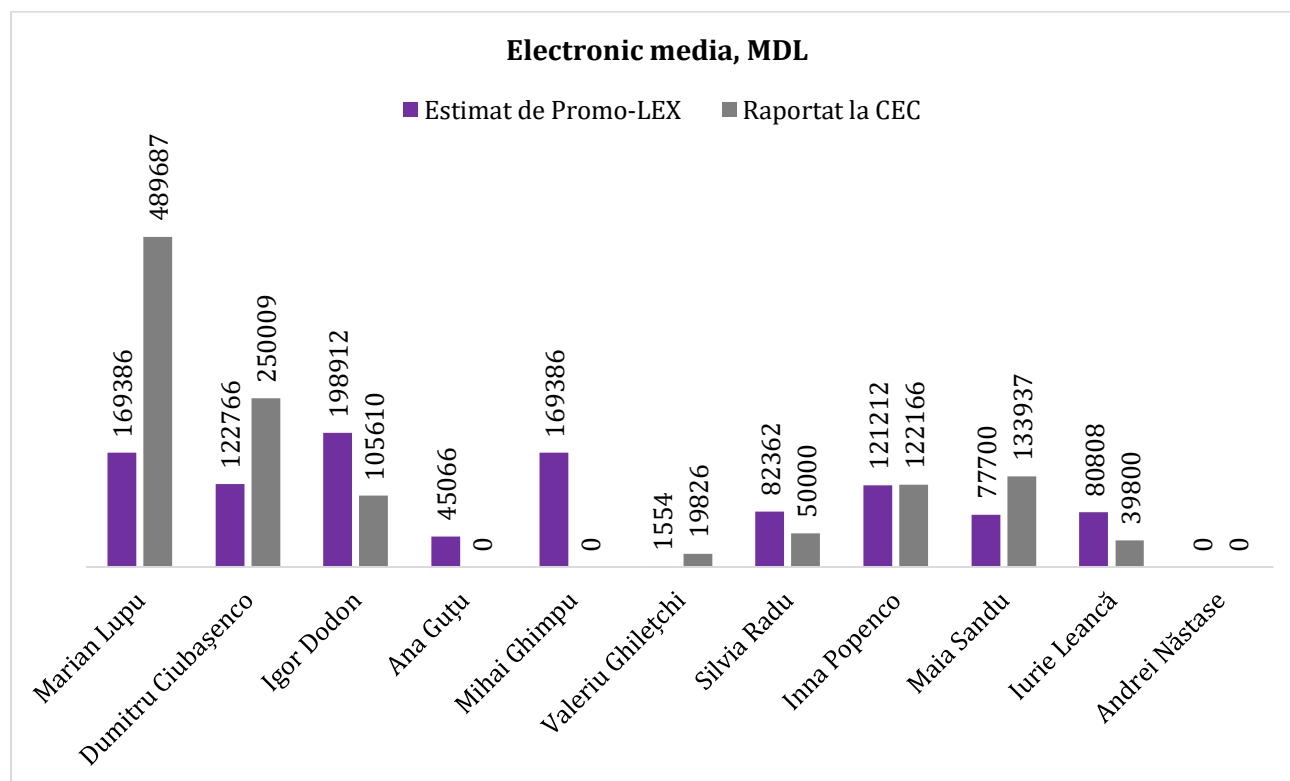


Chart 23. Electronic media, MDL

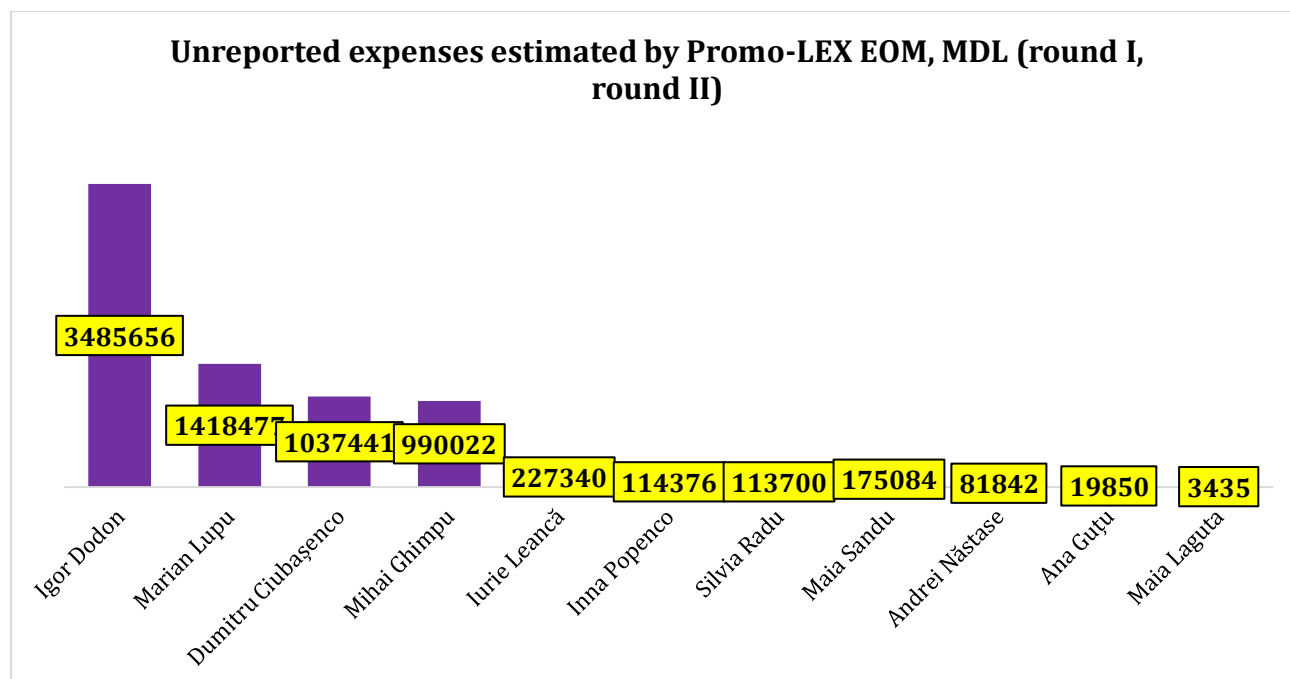


Chart 24. Estimates by Promo-LEX of unreported expenditures, MDL (round I, round II)

Promo-LEX EOM found that 11 ECs did not fully report the expenses incurred during the election campaign (round I and round II). The total unreported expenses amount to at least MDL 7 667223.

Promo-LEX EOM notifies electoral authorities about the non-compliance of ECs with legal provisions, and, in particular, about violations of Article 48¹(2) and (3) of the Contraventional Code, which stipulates that infractions in the use and reporting of funds belonging to political parties or electoral funds shall be punished with a fine of 100 to 300 conventional units that is imposed on those responsible; the submission of incomplete data shall be punished with a fine from 300 to 500 conventional units imposed on those responsible.

2.2.3. Sanctions

According to law, CEC has a mandate to determine violations and open files on violations regarding the failure to submit or the late or improper submission of election candidates' financial statements; also, the law stipulates that election contestants' failure to submit their financial statements in due time and in the format prescribed is sanctioned by a fine of 100 to 150 conventional units¹³.

In accordance with electoral legislation CEC published the reports of 11 ECs on October 16 2016. Only 1 EC (Maia Laguta) did not submit a financial statement or a document proving that expenses were not incurred. For this reason, CEC demanded on October 17 2016 that EC Maia Laguta submit either a document proving that expenses were not incurred or an election campaign financial statement within 24 hours. CEC did not publish Maia Laguta's declaration (dated October 18 2016) stating that no expenses were incurred during her election campaign on its website until October 25 2016.

On October 20, CEC adopted a decision whereby it requested the Chisinau Court of Appeals to make a statement, in accordance with Article 69(4)(a) of the Electoral Code, on the exclusion of IC Inna Popenco. The demand was submitted on 21 October 2016, and the IC was excluded from the electoral

¹³ Article 48¹(1) of the Contravention Code.

race as the court found that unreported financial resources were used. The decision of Chisinau Court of Appeals was upheld by the SCJ Decision on 22 October 2016.

On 22 October 2016, CEC sanctioned EC Maia Sandu with a warning and demanded that she submit additional information on the funding of her election campaign in the bimonthly report for the period 30 September – 14 October 2016. Within 24 hours of the demand, the candidate submitted a new report that was published in due time on the CEC website.

Promo-LEX EOM found that electoral authorities were passive in the 2016 presidential election campaign although, as an independent oversight and supervisory body for political party and election campaign financing¹⁴, CEC does have a mandate to impose or to demand for penalties to be imposed (as stated in the Electoral Code and in the Law No 294-XVI of 21 December 2007 on political parties) for violations. The law currently in force provides for gradual penalties for violations in the Law on the Financing of Political Parties and Election Campaigns. CEC also has the competence to inform the relevant bodies about any violations punishable under contraventional, criminal law or tax law. However, Promo-LEX did not observe cases of penalties being imposed or of relevant authorities being informed about violations.

¹⁴ Article 22(2)(c) “General Responsibilities of the Central Electoral Commission” of the Electoral Code.

RECOMMENDATIONS

For the Parliament of the Republic of Moldova

1. Supplement Article 38(1) of the Electoral Code with a clear procedure and timeline for appointing the people responsible for electoral candidates' finances (treasurers).
2. Revise the level of the ceilings on donations from individuals and legal entities to political parties by reducing them to a level corresponding with the average cost of living.
3. Approve a new version of Article 181¹ of the Criminal Code on the categories of goods whose sale is prohibited including a new paragraph criminalizing vote buying and applying the provisions of the article to presidential elections.
4. Supplement the regulatory framework in order to clearly regulate the involvement of non-resident service providers in election campaigns.
5. Amend the legal framework to prohibit paid electoral advertising and to make use of free electoral advertising by public mass-media institutions, including by providing free air time for election debates and broadcasting campaign meetings/sessions.
6. Amend the Electoral Code to regulate material/financial donations from third parties during election campaigns and during the signature collection period.
7. Amend the Contraventional Code so that Articles 48 and 48¹ also apply to initiative groups during the signature collection period.
8. Limit, prohibit or otherwise strictly regulate donations from legal entities that provide goods or services for any public administration, in line with GRECO standards.

For the Central Electoral Commission

1. Conduct an in-depth analysis of the expenses incurred by the IGs/ECs and apply appropriate sanctions in cases of violations.
2. Find and evaluate, in accordance with the guidelines of the Venice Commission, any unauthorized use of administrative resources by political parties or candidates as financial contributions to election campaigns and duly report these cases. At the same time, the CEC should notify the appropriate authorities.

For Political Parties, Election Candidates and Initiative Groups

1. Avoid using undeclared electoral funds and gifts that could be qualified as electoral in the pre-election period.
2. Do not allow the use of administrative resources in the collection of signatures.
3. Cover expenses during the signature collection period using only bank accounts designated for initiative groups.
4. Observe the terms set out by electoral authorities when opening accounts for IGs.
5. Ensure the transparency of revenue collection and expenses during the collection of signatures.
6. Avoid transfers of donations from legal entities (parties) to the "Initiative Group Funds" and "Electoral Funds" accounts, in order to ensure transparency with regard to donations and to those who donated.
7. Register IGs/ECs and report all donations received to the Central Electoral Commission, including in-kind (material) donations, in line with best practices according to the Council of Europe.

THE OBSERVATION METHODOLOGY OF PROMO-LEX EOM

The Election Observation Mission (EOM) for Moldova Presidential Election of 30 October 2016 is a project implemented by the Promo-LEX Association as part of the Civic Coalition for Free and Fair Elections.

The Promo-LEX Association is a Non-Governmental Organization that aims to develop democracy in the Republic of Moldova, including in the Transnistrian region, by promoting and defending human rights, monitoring democratic processes, and strengthening civil society.

The monitoring report for the election period, including the campaign for the presidential election (25 August – 13 November 2016) was developed based on official and public information, including observers' standardized reports, which were based on randomly-planned visits to each location in observers' areas of responsibility, weekly visits to electoral bodies, and event reports conducted in addition to the planned visits whenever observers attended electoral events. During the planned visits, observers collected information from discussions, meetings with interlocutors, and official documents. The visits were planned in such a way that every LTO visited every location in his or her area of responsibility once during the signature collection period, twice during the election campaign and once during the campaign preceding the second round of the election.

Information on election campaign financing and the political activity of political parties is reported in the parties' standardized financial statements, enabling an analysis of both revenues earned and expenses incurred by participants in the electoral process and political parties.

The monitoring efforts of the Promo-LEX EOM team on election day consisted of: 1981 short-term observers (STOs) present in every polling station in the Republic of Moldova; 44 STOs dispatched to polling stations abroad; 35 accredited observers from the electoral constituency councils (ECC); 41 observers involved in the activity of mobile teams; 42 long-term observers (LTOs) from the EOM, and members of the central Promo-LEX EOM team. Just as during the first round of the election (on 30 October 2016), during the second round of the election (on 13 November 2016), the Promo-LEX EOM delegated one STO to each polling station (PS) in the country. The Mission also monitored the electoral process in about 40 PS open abroad. All activities were coordinated by a central team of 38 people.

Promo-LEX EOM is neither a partisan opponent to election candidates running for President of the Republic of Moldova on 30 October 2016 nor an investigative body, and it does not assume the express obligation to support its findings by evidence. However, to the extent possible, the observers' reports were accompanied by photo and video evidence that can be made available upon request only to law enforcement bodies and never to election candidates. The Promo-LEX Election Observation Mission also manages the web platform www.electorala.monitor.md, where citizens can report on electoral activities. The Mission's observers verify these reports during their next planned visit to the location where such activities were reported.

Promo-LEX EOM activity is funded by USAID, the British Embassy in Chisinau, the National Endowment for Democracy, and the Council of Europe. The opinions presented in the public reports of Promo-LEX belong to authors and do not necessarily reflect the donors' views.

ABBREVIATIONS

para. – paragraph
CPA – Central Public Administration
LPA – Local Public Administration
Art. – Article
CEC – Central Electoral Commission
ECC – Electoral Constituency Council
IC – Independent Candidate
c. – commune
ord. – order
ENEMO – European Network of Election Monitoring Organizations
ET – Event Template
VT – Visit Template
IG – Initiative Group
let. – letter
m² – square meter
EOM – Election Observation Mission
mun. – municipality
No – number
NGO – Non-Governmental Organization
UN – United Nations
t. – town
OSCE – Organization for Security and Co-operation in Europe
OSCE/ODIHR – OSCE Office for Democratic Institutions and Human Rights
LTO – Long Term Observer
STO – Short-Term Observer
PCRM – Party of the Communists of the Republic of Moldova
p. – point
PDM – Democratic Party of Moldova
PL – Liberal Party
PLDM – Liberal Democratic Party of Moldova
PPD – Political Party DREAPTA
PPM – “Moldova’s Patriots” Political Party
PPPAS – Action and Solidarity Political Party
PPPDA – Dignity and Truth Platform Political Party
PPMSPR – Political Party Social-Political Movement Ravnopravie
PPEM – People’s European Party of Moldova Political Party
PPPN – Our Party Political Party
PPPSRM – Political Party Party of the Socialists from the Republic of Moldova
PVT – Parallel Vote Tabulation
QC – Quick Qualitative Vote Counting
d. – district
RM – Republic of Moldova
v. – village
PS – polling station
pr. – print run
TV – television
ATU – Administrative Territorial Unit
UATSN – Administrative Territorial Unit on the left bank of the Nistru river
u. – unit
USAID – United States Agency for International Development
ATUG – Autonomous Territorial Unit of Gagauzia