
'THE PURSES' OF PARLIAMENTARY POLITICAL PARTIES: HOW DO THEY STAND FINANCIALLY?

NOVEMBER, 2020



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¹ This report analyzes the annual financial reports of parliamentary political parties, which are still unaudited by the relevant bodies. The same can be subject to changes.

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LIST OF ACRONYMS

- AAK** Alliance for the Future of Kosovo (Aleanca për Ardhmërinë e Kosovës)
- AKR** New Kosovo Alliance (Aleanca Kosova e Re)
- EU** European Union
- DiA** Democracy in Action
- IRDK** New Democratic Initiative of Kosovo (Iniciativa e Re Demokratike e Kosovës)
- JGP** Unique Gorani Party (Jedinstvena Goranska Partija)
- KDI** Kosovo Democratic Institute
- KDTP** Turkish Democratic Party of Kosovo (Kosova Demokratik Turk Partisi)
- CEC** Central Election Commission
- LDK** Democratic League of Kosovo (Lidhja Demokratike e Kosovës)
- LS** Serb List (Lista Serbe)
- LVV** Vetëvendosje Movement (Lëvizja Vetëvendosje)
- NDS** New Democratic Party (Nova Demokratska Stranka)
- NISMA** Social Democratic Initiative (Nisma Socialdemokrate)
- PAI** Ashkali Party for Integration (Partia e Ashkalinjëve për Integrim)
- PD** The Justice Party (Partia e Drejtësisë)
- PDAK** Democratic Ashkali Party of Kosovo (Partia Demokratike e Ashkanlive të Kosovës)
- PDK** Democratic Party of Kosovo (Partia Demokratike e Kosovës)
- PLE** Egyptian Liberal Party (Partia Liberale Egjiptiane)
- PREBK** United Roma Party of Kosovo (Partia Rome e Bashkuar e Kosovës)
- PSD** Social Democratic Party (Partia Socialdemokrate)
- ECAP** Election Complaint and Appeal Panel
- SLS** Independent Liberal Party (Samostalna Liberalna Stranka)
- OPPRC** Office for Political Parties Registration and Certification





(UN)TIMELY PUBLICATION OF FINANCIAL REPORTS OF THE POLITICAL PARTIES

Legal regulations in Kosovo regarding the financing of political parties have been consistently assessed as advanced and in line with international financing standards². However, a serious challenge remains the lack of proper implementation, and often misinterpretation of the legal provisions governing this area. Although political parties, especially parliamentary ones, are funded over 4 million euros annually from the annual state budget, they have not been sufficiently transparent about their spending. In this regard, the publication of annual financial reports is above all a legal obligation of political parties, but also one of the basic forms of providing financial transparency, even if it be minimal. This should be followed by an audit of these reports, which as a process, usually in Kosovo has lagged significantly, as a result of lack of political will and other administrative obstacles in the Assembly of Kosovo - in the selection of auditors to audit the finances of political parties.

Since the amendment of the law on financing of political parties in 2013, the timely publication of the annual financial reports of political parties has never occurred. In fact, in the period 2013-2017, the Assembly had failed in at least five cases to select auditors, which had left the public in 'darkness' regarding the way of financing and spending of political parties for a full four years. Whereas, the annual financial reports of political parties for 2018 have not been published yet.

Through this law and its two amendments (2012 and 2013), it is determined that political parties must submit to the CEC the annual financial report by March 1 of the following year. The law also stipulates that by July 30 of the following year,³ political parties must publish the annual financial report in the media, and it must be kept published for at least one year. Regarding the financial control, with the amendment-supplement of the law on financing of political parties of 2013, it is determined that the audit process of financial reports is

to be completed by June 15 of the following year. On the other hand, The CEC must publish the annual financial reports and the final audit report on its official website by June 30 at the latest. However, these provisions have never been respected so far. Referring to the lack of audit reports, the CEC, respectively OPPRC, had refused to publish annual financial reports. Even when the Ombudsperson in 2018, after the KDI' complaint against the CEC regarding the restriction of access to public documents, namely the unaudited financial reports, had recommended the provision of access to these reports, the CEC had not acted yet in accordance with this recommendation. The Ombudsperson had assessed that even based on international practices, respectively the European Court of

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² Kosovo Democratic Institute (KDI). Analysis Of Political And Campaign Finance, Legal Framework And Political Party Compliance. June, 2020. pg. 6.

³ For more see the Law on Financing Political Parties (2010). Accessible on: <https://gzk.rks-gov.net/ActDetail.aspx?ActID=2705>





Kjo çështje është theksuar edhe në pothuajse të gjitha raportet e BE-së për Kosovën, të cilat në vazhdimësi kishin konstatuar se ekziston mungesë e theksuar e transparencës në raport me financimin e subjekteve politike dhe kampanjave të tyre. Përveç kësaj, edhe raportet vendore të organizatave të shoqërisë civile në mënyrë konsistente kanë kërkuar publikimin e këtyre raporteve.

Human Rights, the denial of public access to information on the functioning of state bodies, constitutes a violation of the fundamental right to democracy.

This issue has been highlighted in almost all EU reports on Kosovo, which have consistently found that there is a significant lack of transparency in relation to the financing of political parties and their campaigns. In addition, local reports of civil society organizations have consistently requested the publication of these reports.

The situation had started to change in October of this year, when the Office for Political Parties Registration and Certification had sent for review to the Committee on Legal Affairs of CEC, the recommendation for the publication of annual financial reports of political parties for 2019. According to this recommendation, 47 out of 48 currently registered parties have submitted their financial reports within the legal deadlines. The recommendation reiterated the fact that the procedure for the election of auditors by the Assembly of Kosovo, namely the Committee for Oversight of Public Finances has not yet been completed. Therefore, the publication of these reports was requested, in the versions submitted by the political parties, adding the text

“These financial reports are unaudited and may undergo changes and adjustments during the audit process.”.

The first reading of this recommendation took place on October 7, during the 40th meeting of the CEC. As a result of disputes over this issue between CEC members, the proposal was not put to the vote at all. During the meeting, it was announced that the Committee on Legal Affairs, by a majority vote⁴, had decided not to send it for consideration to the CEC meeting, without first receiving a legal interpretation from the Legal Department of the CEC.

INTERNAL ‘DISPUTES’ AT CEC: SECRETARIAT vs. OPPRC

The CEC has often been criticized for failure to timely publish the financial reports of political parties⁵. This is specifically attributed to the Office for Political Parties Registration and Certification, which carries the responsibility of ensuring the financial transparency of political parties. Since 2019, there has been a significant improvement in both the internal functioning of the Office and the increase of the level of transparency that the same has provided to

⁴ Representatives of political parties AAK, NISMA and VAKAT had voted ‘against’, while the representative of LVV had voted ‘in favour’, regarding the recommendation to publish these reports, in unaudited versions.

⁵ For more, see EU Report on Kosovo (2016). Accessible at: https://www.mei-ks.net/repository/docs/20170717114956_raporti_i_progresit_2016_shqip.pdf



the public, especially in relation to the finances of political parties. Among other things, it is worth mentioning that on December 10, 2019, the Public Information Files were timely published for the first time, which includes the donor register of each political party, the reports of the Financial Publication of the political parties campaign submitted to the CEC and Candidate Financial Publication forms for the candidates who have gained seats in the Assembly of Kosovo according to the certified results. These data were also made available to the public, through the CEC official website⁶.

This was followed by the recommendation for the publication of financial reports of political parties for 2019, which are unaudited. However, until their publication on October 21 of this year, i.e. about two weeks after the recommendation, the CEC was characterized by internal clashes, especially regarding the interpretation of relevant legal provisions on the possibility of publishing unaudited reports. This is because initially, the Legal Department of the CEC had issued a legal interpretation, by which the recommendation of the OPPRC was considered incomplete, while requesting from the CEC to not publish the unaudited reports. According to this legal interpretation, it was concluded that "the report submitted by political parties is not complete for publication pursuant to Article 19 paragraph 10."

However, despite this legal interpretation, as well as taking into account the ongoing request of KDI⁷ but also other non-governmental organizations to publish reports, the Central Election Commission, after many discussions - in which representatives of political parties in the CEC had expressed support for their publication, as according to them, there is nothing to hide - on October 21, the CEC had decided to publish financial reports.

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⁶ For more, see the Public Information Files, published by the CEC on December 10, 2019. Accessible at: <https://www.kqz-ks.org/lajmet/kqz-publikon-dosjen-e-informimit-publik-per-subjektet-politike-dhe-kandidatet-e-zgjedhjeve-2019/>

⁷ For more, see the KDI's reaction regarding the publication of unaudited financial reports of political parties for 2019. Available at: <https://www.facebook.com/kosovademocraticinstitute/posts/10159772209584179>





PUBLICATION OF UNAUDITED ANNUAL FINANCIAL REPORTS

Political parties, respectively parliamentary ones, benefit from taxpayers' money, respectively the state budget, about 4.2 million euros annually. These funds are allocated to political parties through the Fund for Support of Political Parties for financing of regular activities, through which it is foreseen that about 3.8 million euros will be allocated to political parties and over 400 thousand euros to the respective parliamentary groups. There are a total of 13 parliamentary parties that have gained seats in the legislature resulting from the 2017 elections, which have benefited annually from this fund. These funds have been allocated until the certification of the election results of October 6, 2019⁸. Based on the number of mandates, the main beneficiaries of this fund were the parties of the former PAN coalition (PDK, AAK, NISMA and others) with a total of 1,228,500 euros / yearly, followed by Vetëvendosje Movement with 1,008,000 euros, LDK-AKR coalition with 913,500 euros, Serb List with 283,500 euros, KDTP and VAKAT coalition with 63,000 euros each, as well as NDS, SLS, PDAK, PLE, JGP, PAI and PREBK with 31,500 euros each.

Given that it is a legal requirement, as well as the fact that these funds are public money, it has been an ongoing requirement to publish the annual financial reports of political parties, so that the public has information on how the state budget money is spent.

In this regard, after numerous discussions, the CEC, on October 21, had taken this decision by unanimous vote in favor of the recommendation to publish annual unaudited financial reports. These reports were published on the CEC official website more than 10 days later, respectively on November 2nd⁹. According to the CEC official website, it can be seen that there are a total of 46 annual financial reports of political parties, which have already been published.

However, it is worth noting that although a positive step has been marked with the publication of these reports, the financial reports are deficient, as they do not provide any information on candidates' spending, branch expenditures of political parties, or internal forums, whether women or youth.

In the following part will be analyzed only the annual financial reports of political parties for 2019, which are currently represented in the Assembly of Kosovo, taking into account the fact that the data of other entities do not arouse great public interest, and have completely minimal expenses and incomes.

ASSETS AND LIABILITIES OF PARLIAMENTARY POLITICAL PARTIES IN KOSOVO

Parliamentary political parties for 2019 have declared long-term and short-term assets in a total value of over 420 thousand euros. This category includes land, buildings, equipment, intangible assets, receivables, prepayments, money and other assets. The entity that has declared the most assets is Vetëvendosje movement, in the total amount of 136,508 euros. LVV is followed by PDK with 70,986 euros, AAK with 45,724 euros, NISMA with 42,044 and Serb List with 40,255 euros. Political parties IRDK and PAI have stated that they have no assets at all. Whereas, the largest political party of the current governing coalition, the Democratic League of Kosovo has declared only 12,817 euros of assets, thus ranking as only the eighth political party with the most assets.

On the other hand, according to reports, it seems that political parties are not doing well as regards their obligations.

⁸ On October 31, 2019, the CEC had taken a decision to supplement the decision regarding the funds allocated, according to which the CEC allows the transfer of funds from the Fund to political parties only until the date of certification of election results of October 6. Also, according to the decision, the transfer of funds from the Fund on a monthly basis until the certification of results, which took place on November 27, is authorized. For more, see the decision: <https://www.kqz-ks.org/wp-content/uploads/2019/12/1631-2019-Vendim-per-ckaktimin-e-lartesisise-se-mjeteve-te-fondite-per-subjekte-politike.pdf>

⁹ For more, see: <https://www.kqz-ks.org/lajmet/kqz-publikoi-raportet-financiare-te-partive-politike-per-vitit-2019/>





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Ndërsa, subjekti më i madh politik i koalicionit aktual qeverisës, Lidhja Demokratike e Kosovës ka deklaruar vetëm 12,817 euro pasuri, duke u renditur kështu si vetëm subjekti i tetë me më së shumti pasuri.



This is because political parties have declared about 2 million euros liabilities, which include loans payable, revenues repaid, accounts payable and other liabilities. In fact, only two entities - PDK and LDK - have declared over 1.1 million euros, or almost 2/3 of the total liabilities of all parliamentary political parties in Kosovo. PDK has declared 612 thousand euros of liabilities, while LDK 503 thousand euros of

liabilities. They are followed by AAK with full 463 thousand euros of liabilities, followed by NISMA with 78 thousand euros, LVV with 34 thousand euros, NDS with 7 thousand euros, KDTP with over 6 thousand euros, Alternativa with over 4 thousand euros, PREBK with 2 thousand euros as well as PLE with 150 euro liabilities. LS, Coalition VAKAT, PAI, IRDK and JGP have not declared any obligation.





REVENUES vs. EXPENSES

Parliamentary political parties seem to be in a lot of debts, in terms of the negative balance between revenues and expenditures that they have declared during 2019. They have declared 4 million 665 thousand euros of revenues, while they have spent 5 million 433 thousand euros. Political parties, as the main source of their revenues, have declared the funds they receive from the state budget, through the Fund for Support of Political Parties.

In general, the entity with the most declared revenues for 2019 is PDK with over 1.2 million euros. PDK is followed by LVV with over 1.1 million euros, LDK with over 910 thousand euros, AAK with over 320 thousand euros, LS with 300 thousand euros, NISMA with 200 thousand euros, AKR with 120 thousand euros, KDTP with about 90 thousand euros and the VAKAT coalition with about 65 thousand euros. They are followed by other entities such as Alternativa, PLE, PAI, NDS, PREBK, JGP which have declared about 30 thousand euros of revenues each.

However, the ranking undergoes some changes in terms of the expenditures that parliamentary political parties have undergone over the past year. Although PDK continues to lead again, with about 1 million 360 thousand euros in expenditures, followed by LDK with about 1 million 340 thousand euros in expenditures. The third is LVV with about 1 million 160 thousand euros expenditures, followed by NISMA and LS with about 260 thousand euros expenditures each, and AKR with about 120 thousand euros expenditures.

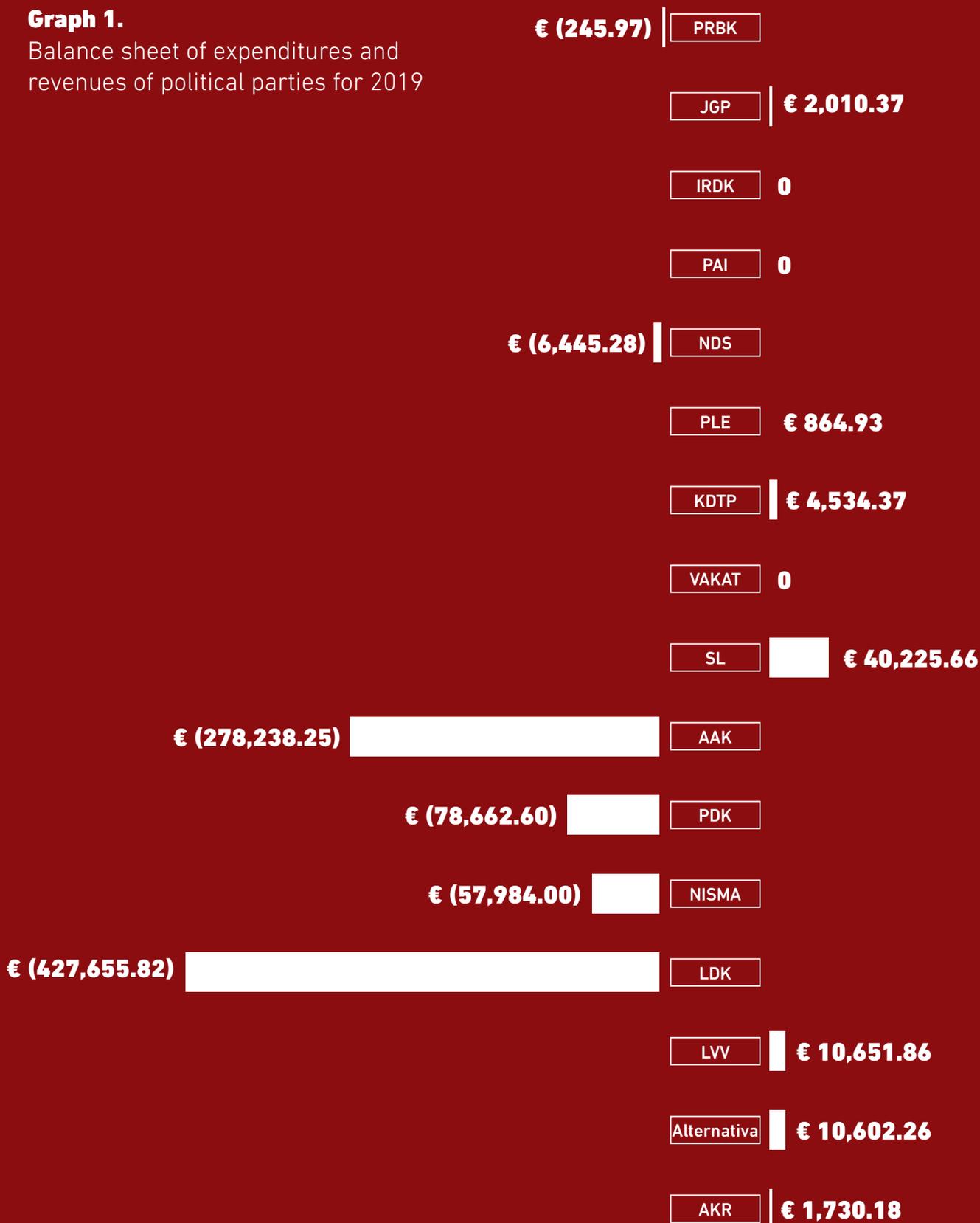
Based on these data, it can be seen that even during this year, political parties have declared a negative balance, with a total of almost 800 thousand euros more expenditures than they actually had revenues, as will be presented in the following table. All political parties had reported a negative financial balance during 2017, with a total deficit of over 2.2 million euros.

Based on these data, it can be seen that even during this year, political parties have declared a negative balance, with a total of almost **800 thousand euros** more expenditures than they actually had revenues, as will be presented in the following table. All political parties had reported a negative financial balance during 2017, with a total deficit of over **2.2 million euros**.



Graph 1.

Balance sheet of expenditures and revenues of political parties for 2019





HOW DID POLITICAL PARTIES SPEND THE FUNDS ?

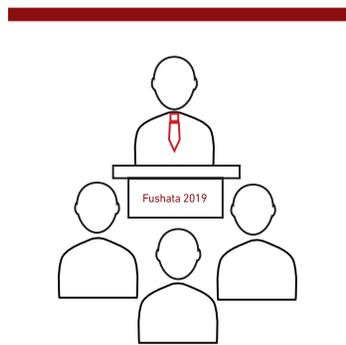
Given that political parties have stated that they receive most of the revenues from the state budget, namely taxpayers' money, it is more than important to see how they have spent their funds. Based on the forms submitted to the CEC, the expenditures of political parties are generally divided into these categories and subcategories:

- 1 Salaries and allowances - including pension contributions of the employee and the employer;
- 2 Transportation costs - which includes borrowed vehicles, fuel, transportation vehicle tickets, car insurance and maintenance, and other expenses;
- 3 Advertising, representation and conferences - including venues and food for these activities, as well as cultural / recreational activities, radio and television spots, newsstands and newspaper advertisements, and other expenses;
- 4 Campaign expenses;
- 5 Purchase of goods - including office supplies and other equipment;
- 6 General expenses - including rent, telephone, internet, mail, electricity and utilities, as well as expenses for depreciation of long-term assets and those related to donations or in-kind contributions (commissions);
- 7 Miscellaneous expenses - including equipment and space maintenance, as well as expenses not included in any other category.

Based in the data provided in the annual financial reports of political parties, it can be seen that political parties during 2019, had the largest share of expenditures for campaigns and for salaries and allowances. In the category of campaign expenditures, parliamentary political parties have spent over 2 million and 150 thousand euros in total, within which the LDK leads with over 700 thou-

sand euros. On the other hand, in the category of salaries and allowances¹⁰ general expenditures in the amount of 1 million and 322 thousand euros have been declared, led by PDK with about 420 thousand euros spent. Miscellaneous expenditures (EUR 858,020), general expenditures (EUR 561,333), advertising, representation and conferences (EUR 398,352), transport expenditures (EUR 131,922) and purchase of goods (EUR 66,017) represent other categories of expenditures of political parties.

Regarding campaign expenditures, although it is the category where the most funds were spent by political parties, there are differences between the declarations of political parties on total expenditures and the DiA report on election observation. According to the DiA estimate, 3 million 636 thousand euros have been spent, or about 1 million and a half euros more than the declarations of political parties.



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¹⁰ Within the category of salaries and allowances, according to reports, only one political party (PAI) has not paid taxes/contributions provided by law. Whereas, two other entities (NISMA and LS) have declared incomplete and concrete data regarding the category of pension contributions, since this category does not match the category of salaries - according to the foreseen legal percentage.



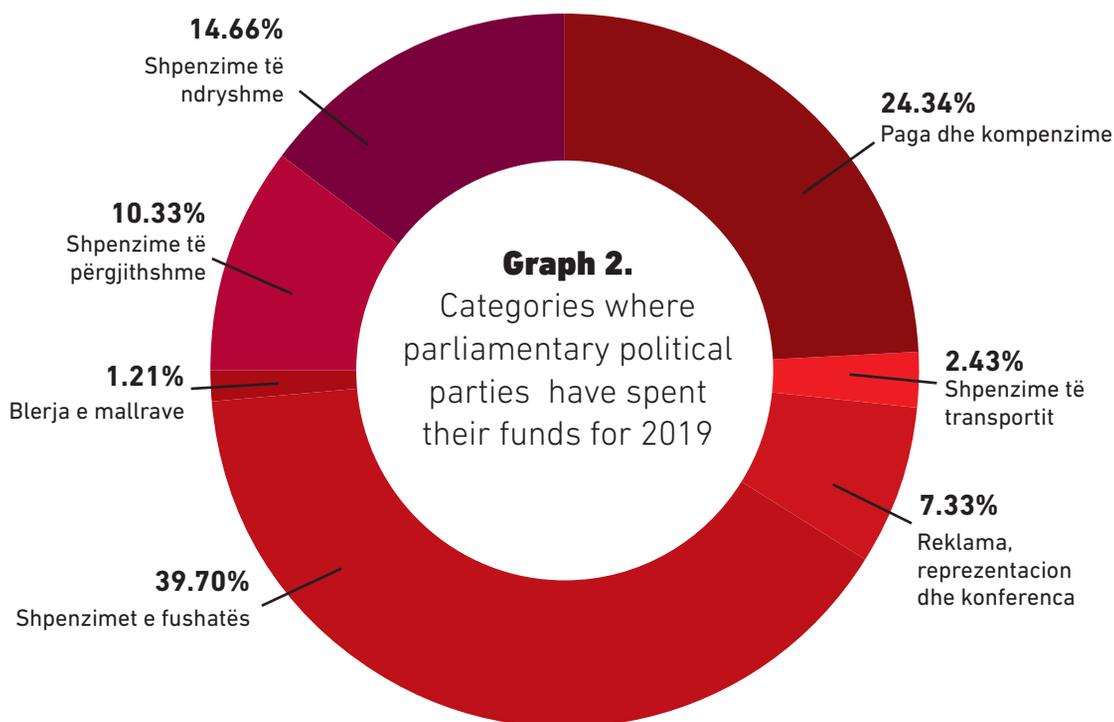


Political party	Declaration of the entity	DiA
LDK	735,541.87€	1,207,191€
PDK	316,966.37€	819,270€
AAK-PSD	462,041.20€	696,632€
LVV	431,039.63€	413,714€
NISMA-AKR-PD	115,863.80€	319,029€
LS	89,383.44€	112,433€

Table 1. Differences between expenditures declared by entities and data collected by DiA

Whereas, if the categorizations of expenditures are considered for each entity separately, then it is noticed that political parties have different approaches regarding the

manner of spending their money. The following are the expenditures of parliamentary political parties graphically presented according to the reported categories.



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Subjekti politik	Paga dhe kompenzime		Shpenzime të transportit		Reklama, reprezentacion dhe konferenca	
AAK	€ 50,840.23	8%	€ 491.64	0%	€ 25,528.37	4%
AKR	€ 16,795.61	14%	€ -	0%	€ -	0%
ALTERNATIVA	€ 1,461.72	6%	€ 66.00	0%	€ 5,190.00	20%
IRDK	€ -	0%	€ -	0%	€ -	0%
JGP	€ 4,629.55	23%	€ 5,712.30	28%	€ 6,099.70	30%
KDTP	€ 11,596.81	14%	€ 2,783.54	3%	€ 16,992.32	20%
LDK	€ 261,636.66	20%	€ 38,572.85	3%	€ 173,961.79	13%
LVV	€ 411,296.49	36%	€ 56,587.63	5%	€ 56,871.87	5%
NDS	€ 4,813.99	13%	€ 1,941.81	5%	€ 6,648.84	18%
NISMA	€ 57,732.78	22%	€ 1,902.77	1%	€ 22,860.00	9%
PAI	€ 17,000.00	52%	€ 4,000.00	12%	€ 3,500.00	11%
PDK	€ 419,104.61	31%	€ 2,488.91	0%	€ 43,423.93	3%
PLE	€ 12,890.60	37%	€ 4,965.65	14%	€ 8,211.67	24%
PRBK	€ 22,870.86	72%	€ 2,842.21	9%	€ 2,632.00	8%
SL	€ 16,993.75	7%	€ 7,217.49	3%	€ 17,299.50	7%
VAKAT	€ 12,801.62	20%	€ 2,350.00	4%	€ 9,132.30	14%

Graph 2. Categories where parliamentary political parties have spent their funds for 2019

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Shpenzimet e fushatës		Blerja e mallrave		Shpenzime të përgjithshme		Shpenzime të ndryshme	
€ 462,041.20	77%	€ 4,307.91	1%	€ 50,140.99	8%	€ 8,222.77	1%
€ 58,053.54	48%	€ 14.00	0%	€ 38,348.17	32%	€ 6,847.30	6%
€ -	0%	€ 399.00	2%	€ 17,154.52	65%	€ 1,989.00	8%
€ -	0%	€ -	0%	€ -	0%	€ -	0%
€ 1,905.00	9%	€ 419.00	2%	€ 1,372.68	7%	€ -	0%
€ 33,736.94	40%	€ -	0%	€ 19,138.98	22%	€ 816.46	1%
€ 735,541.87	55%	€ 5,710.32	0%	€ 76,775.27	6%	€ 47,399.40	4%
€ 431,039.63	37%	€ 16,561.62	1%	€ 174,778.67	15%	€ 11,084.11	1%
€ 13,901.30	37%	€ 4,888.74	13%	€ 4,552.59	12%	€ 1,198.01	3%
€ -	0%	€ 4,113.91	2%	€ 80,735.29	31%	€ 93,923.50	36%
€ 4,000.00	12%	€ 2,500.00	8%	€ 1,000.00	3%	€ 500.00	2%
€ 316,966.37	23%	€ 5,142.35	0%	€ 63,283.72	5%	€ 509,205.67	37%
€ 7,298.00	21%	€ 93.25	0%	€ 99.15	0%	€ 1,143.00	3%
€ 3,400.90	11%	€ -	0%	€ -	0%	€ -	0%
€ 89,383.44	34%	€ 4,495.00	2%	€ 30,000.00	12%	€ 95,406.50	37%
€ -	0%	€ 17,372.11	27%	€ 3,953.96	6%	€ 18,661.82	29%

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DONATIONS OF POLITICAL PARTIES

One of the allowed sources for financing political parties in Kosovo is contributions¹¹, respectively donations given to the political party, mainly in cash, although other material goods are not excluded. By law, political parties are allowed to receive donations from natural and legal persons, under restrictions set on the total amount that can be received within a calendar year. For natural persons, the limit is 2 thousand euros within a calendar year, while for legal entities 10 thousand euros within a calendar year.

In this regard, numerous local¹² and international¹³ reports have raised concerns about the exceedance of these norms by political parties and the lack of financial control, respectively penalties, for violators of the law.

During 2019, according to the financial reports of parliamentary political parties, they received a total of 214,566 euros in donations, which represents only 4.6% of the total revenues they had. About 12 thousand euros have been declared as in-kind contributions that these entities (LVV, NISMA and PDK) have benefited. All Albanian parliamentary political parties have stated that they have received donations, although their amounts range from 38 euros to 80 thousand euros. Whereas, only PLE, as a political party representing the non-majority community has declared donations received.

Based on the reports, it is noticed that most of the donations received by political parties have come from their members, in the amount of 10 to 1,000 euros.

In one case¹⁴, an overstepping of the legal limit for donations was observed. Political parties representing non-majority communities in the Assembly of Kosovo have not declared any donations.

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The political party that has declared the most donations is AKR, with a total of 80,413 euros, out of a total of 84 donations during 2019. Over 70 of the donations received by this political party are in a fixed value of 1000 euros, while others in smaller amounts. All donations are received by natural persons.

After AKR, LVV ranks with 49,885 euros collected, out of a total of 253 donations. The vast majority of them are low value donations (5 to 50 euros). Only 9 of the donations received from this entity were given by legal entities. The rest are from natural persons, mainly members of this entity. LVV has declared in-kind contributions in the total amount of 11,304.51 euros.

11 According to the legal definition, "Contributions" represent gifts (donations) or assistance of any kind that implies a conscious act to donate economic or similar goods to the political party, whether in cash, services, sale of items below market price, provision of services below market price or in other material goods. For more, see the amendment to the Law on Financing Political Parties (2013), Article 2. Available at: <https://gzk.rks-gov.net/ActDetail.aspx?ActID=2705>

12 For more, see the DiA Report on the Observation of the Early Parliamentary Elections of 6 October 2019. Available at: http://demokracianeveprim.org/wp-content/uploads/2019/12/DnV_RAPORTI-IV%C3%8BZHIGIMIT-%C3%8B-ZGJEDHJEVE.pdf

13 For more, see the Final Report of the EU Observation Mission for the 2019 Early Legislative Elections. Available at: https://eeas.europa.eu/election-observation-missions/eom-kosovo-2019/73409/european-union-election-observation-missions-kosovo-2019-early-legislative-elections-final_en

14 According to the annual financial report, the chairwoman of the political party Alternativa has given donations in the amount of 2,100 euros to her political party, respectively 100 euros more than allowed. These donations are given on three different dates.





The political party that has declared the most donations is

AKR

with a total of 80,413 euros,

out of a total of 84 donations during 2019.

Alternativa, although with only one mandate gained, that within the LVV electoral list, is the third entity in terms of donations received. This entity has declared 36,852 euros from 56 donations. Of these, 16 are from legal entities, while the rest are from natural persons.

PDK has declared 16 donations, in a total value of 35,897 euros. All donations were received from natural persons. Within the reported donations of this entity is included a "specification" in the total value of 20,200 euros which the report states that has to do with ECAP fines for MPs. Of these funds, 8,300 were received at the bank, while the rest at the cash register. PDK has also declared donations in the form of in-kind contributions, in the amount of 520 euros.

NISMA has declared contributions in the amount of 9,130 euros, received from 84 donations, which were provided by natural persons - mainly members of this political party. Most of these donations are in low monetary values. This political party has stated that it has received in-kind contributions in the amount of 100 euros.

AAK has received 1,850 euros in contributions, through 8 donations, which were given by natural persons. In fact, five of these donations were provided by the same member of this political party.

PLE has declared only one donation received from abroad, from Germany, by a natural person.

LDK, although the second ranked entity in the elections, and currently the leader of the governing coalition, throughout 2019 has stated that it has received only one donation. This donation was given by a natural person, and it was stated that it is worth only 38.54 euros.

Within the parliamentary political parties, ten of them have accessible official websites (LVV, LDK, AAK, NISMA, AKR, Alternativa¹⁵, LS¹⁶, IRDK, KDTP, PREBK). Among them, only Vetëvendosje Movement and the Alliance for the Future of Kosovo¹⁷ have published the unaudited annual financial report for 2019 in 'online'.

¹⁵ The official website of the political party Alternativa is not fully functional.

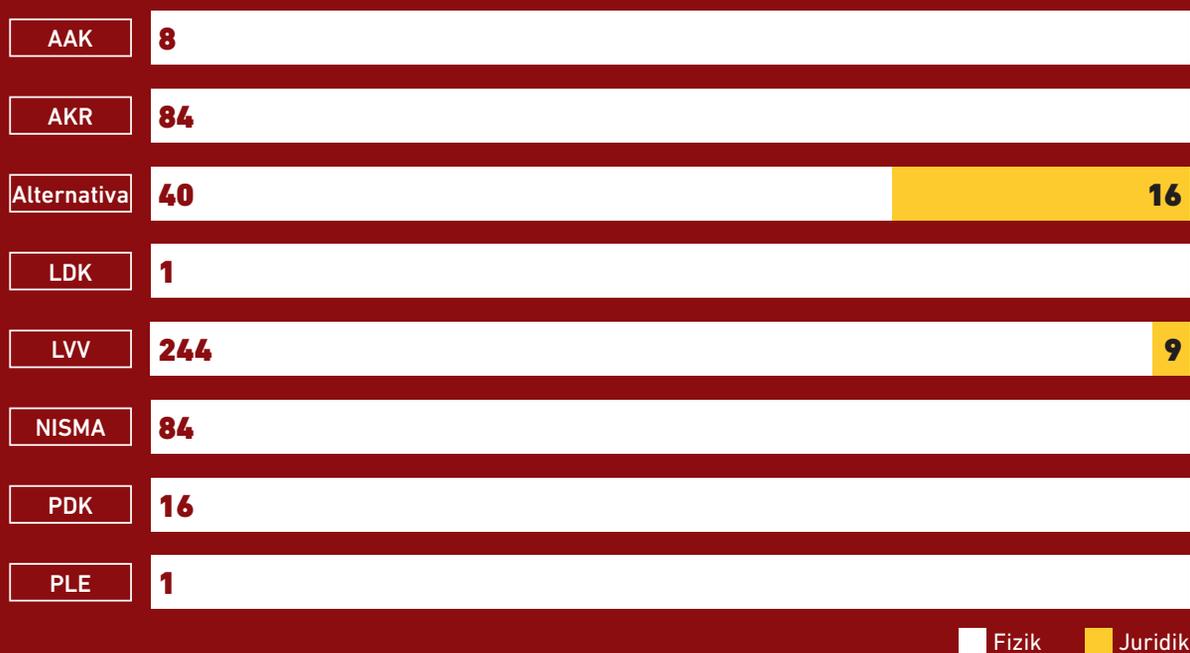
¹⁶ The political party Serb List has published only the financial report of the campaign, but not the annual one.

¹⁷ The annual financial report published by AAK (2 pages) contains only general information regarding assets, equity and liabilities, revenues and expenditures.

LDK, ndonëse subjekti i dytë në zgjedhje, si dhe aktualisht udhëheqëse e koalicionit qeverisës, përgjatë tërë vitit 2019 ka deklaruar se ka pranuar vetëm një donacion. Ky donacion është dhënë nga një person fizik, dhe është deklaruar se është në vlerë prej vetëm **38.54 euro**.



Graph 3. Total amount of donations received from parliamentary political parties



Graph 4. Number of donations received by political parties from natural and legal persons



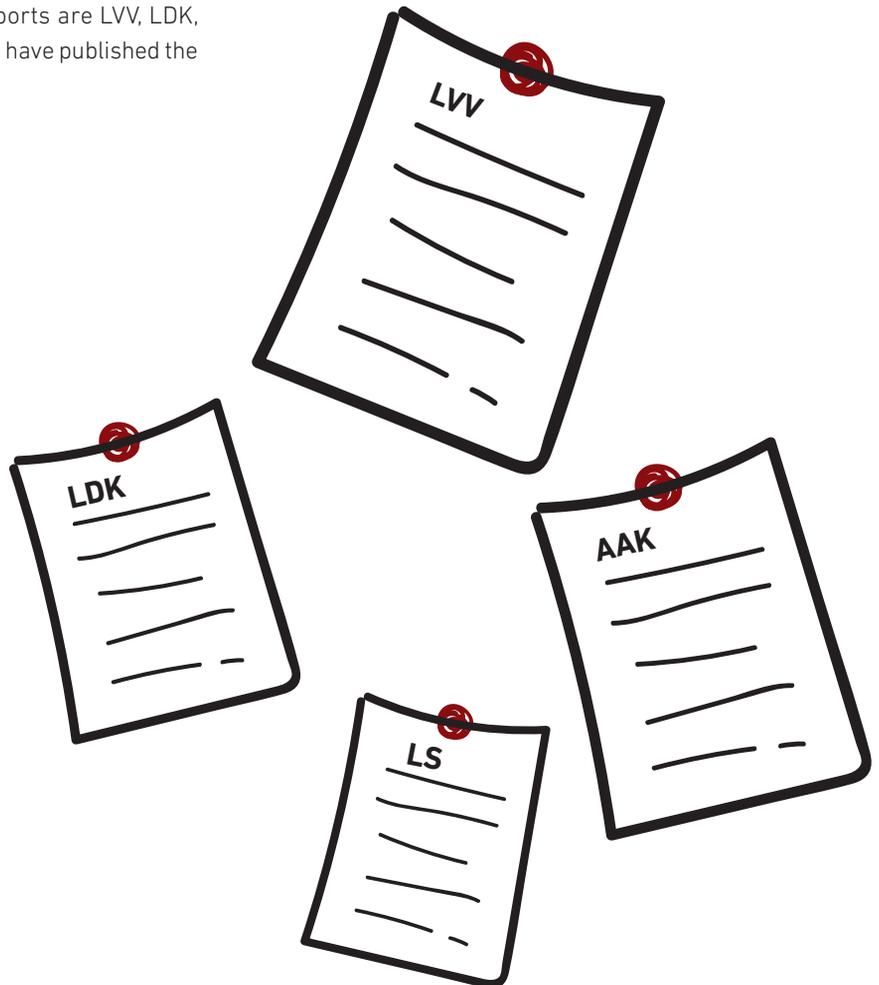
BANK STATEMENTS OF POLITICAL PARTIES

Although the law stipulates that political parties, when drafting the annual financial reports must include copies of bank balances for the account of the political party, within the published reports, it is seen that this legal requirement has not been fully complied with.

A total of five political parties did not include their bank statements in their annual financial reports. In fact, three of these entities that have not published their bank statements are entities that make up the current governing coalition.

Specifically, the entities that have not included the bank statement in the annual financial reports are LVV, LDK, AAK, LS and PAI. The rest of the entities have published the detailed bank statements for 2019.

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RECOMMENDATIONS

Based on the findings of this report, the Kosovo Democratic Institute provides the following recommendations, which guarantee a higher level of financial transparency of political parties, especially regarding the annual financial reports:

- 1** The Assembly of Kosovo should complete the procurement procedure as soon as possible regarding the appointment of external auditors for the financial control of the annual reports of political parties;
- 2** The CEC must request timely reporting from political parties, according to legal standards and requirements;
- 3** The CEC should fine political parties in case of non-compliance with legal requirements;
- 4** The CEC should continue with the publication of all audited and unaudited reports of each political party;
- 5** The CEC should request even more detailed reports on the financial expenditures of political parties, including spending of money, donations in cash, in goods and others;
- 6** OPPRC should ensure that political parties are provided with accurate advice on the way of financially reporting - both during elections and in other non-election years;
- 7** Political parties should, in their financial reports, provide detailed data on the spending of funds not only at the central level, but also in the branches / centers of political parties at the local level;
- 8** Political parties must submit, separately from the report, the list of bank turnover and the list of other in-kind contributions, as well as the data of the persons who have provided these contributions.



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TRANSITION