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URGENT INTERIM OPINION ON THE DRAFT LAW OF ALBANIA ON THE FINANCING OF POLITICAL PARTIES

ALBANIA

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Based on an unofficial translation of the Draft Law provided by the requesting body.

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EXECUTIVE SUMMARY AND KEY RECOMMENDATIONS

Overall, the Draft Law of Albania on the Financing of Political Parties (the "Draft Law") offers an elaborate framework for regulating political parties' financing, including political parties' income, sources of funding, as well as expenditure, reporting, disclosure, oversight, and sanctions. In this regard, the Draft Law's objective to consolidate and further develop the regulation of political party financing in Albania, which is currently addressed in the Law on Political Parties and the Electoral Code, is to be welcomed. While the co-existence of parallel legal frameworks governing the financing of political parties and of election campaigns is not uncommon, inconsistencies between these instruments, together with regulatory gaps in areas such as loans, third-party financing, and enforcement, may undermine the overall coherence and effectiveness of the system and might result in loopholes. In this respect it is important to ensure that the Draft Law is fully aligned with the existing legal framework governing political finance.

The effectiveness of the proposed framework will largely depend on the availability of adequate implementation mechanisms, particularly in light of several important innovations introduced by the Draft Law. These include, *inter alia*, the establishment of a dedicated electronic reporting platform enabling the real-time disclosure of financial data; strengthened transparency obligations, including publication requirements for parliamentary parties; stricter limitations on funding sources and cash transactions; enhanced internal and external audit mechanisms; and expanded oversight powers of the Central Election Commission (hereinafter "CEC"). The introduction of more detailed rules on the allocation of public funding – including incentives linked to gender equality and youth participation – also constitutes a notable development although further elaboration may be needed to ensure their effectiveness in practice.

If effectively implemented, the provisions of the Draft Law should help combat corruption, enhance transparency, and contribute to creating a level playing field for political parties in Albania. However, to ensure full compliance with international standards and OSCE commitments and ensure effective implementation, the Draft Law would benefit from certain improvements and clarifications.

In particular, there are certain areas requiring attention to close potential loopholes that could be exploited to circumvent political party (and campaign) finance regulations, especially with respect to third party financing arrangements, including indirect or proxy contributions, and effective sanctions. Among other, the legal drafters should consider an explicit prohibition of donations made in the name of another person and requiring the disclosure of each donor's occupation and employer, as well as of the beneficial ownership of legal persons making donations, while also ensuring that such information is accessible to the CEC. In addition, clearer and more consistent rules for the valuation of in-kind contributions, including services and other non-monetary support, should be introduced. Moreover, the provisions governing loans to political parties should be further elaborated, including by providing clear requirements for the recording and reporting of loans – covering loan terms and conditions, repayment status, and any write-offs, restructurings, or other material modifications.

Finally, the list of sanctions under the Draft Law should cover all substantive obligations established in the Draft Law, including for the receipt of donations from prohibited sources.

The effective implementation of the measures envisaged by the Draft Law will depend to a significant extent on the operational capacity of the CEC and availability of adequate financial and human resources to carry out its functions, including its investigative powers, inter-institutional co-operation, ability to manage digital reporting systems, carry out thorough verification, and identify potential circumvention practices. It is further noted that, in several instances, the Draft Law entrusts the CEC with the adoption of secondary legislation to further specify key elements of the framework. While this may allow for a degree of flexibility, it may also give rise to concerns regarding legal certainty, consistency of implementation, and the CEC's capacity to effectively develop and enforce such rules.

More specifically, ODIHR makes the following recommendations to further strengthen the Draft Law in accordance with international standards, OSCE commitments and good practices:

A. To clearly regulate the key elements of political party financing in the Draft Law, while leaving only technical details to secondary legislation, and to include a clarifying provision reaffirming the delineation between the Draft Law and the Electoral Code as *lex specialis*, in order to enhance legal certainty and ensure consistent implementation; [para 20]

B. Regarding public funding:

1. to further specify in the Draft Law clear, objective, and transparent criteria governing the allocation of the public funding tied to the promotion of gender equality and youth participation, while leaving technical and procedural aspects to be regulated by the Central Election Commission and specifying that the allocated public funding shall be earmarked detailing eligible expenditures; [para 36]
2. to include in the Draft Law clear provisions regulating the timing of public funding disbursements; [para 39]
3. to clarify the modalities of granting free access to public mass media during election periods envisaged under Article 20 of the Draft Law, ensuring that such support is granted in a manner that guarantees equitable access for political parties, specifying whether such access is to be granted on an equal or proportional basis, for instance in relation to previous electoral performance, while considering incorporating gender-sensitive measures, such as minimum media coverage requirements for women candidates; [para 41]
4. to explicitly designate in the Draft Law the competent authority governing access to public mass media; [para 42]

C. Regarding private funding:

1. to explicitly provide that membership fees constitute contributions and are subject to the applicable donation limits; [para 51]

2. to explicitly prohibit in the Draft Law donations made in the name of another person and by requiring the disclosure of each donor's occupation and employer, in order to enhance transparency and reduce the risk of circumvention; [para 53]

3. to introduce requirements for the identification and disclosure of the beneficial ownership of legal persons making donations, as well as ensuring that such information is accessible to the Central Election Commission; [para 56]

4. to provide for a comprehensive regulatory framework governing loans to political parties, including provisions on permissible sources, limits, guarantees, and repayment conditions, while mandating full disclosure of such loans in parties' annual accounts, and consider empowering the Central Election Commission to establish detailed procedures for monitoring compliance with the applicable rules on loans, etc.; [paras 60-63]

D. Regarding transparency of political party financing:

1. to explicitly require in the Draft Law the submission of supporting documentation as part of financial reporting obligations; [para 82]

2. to provide in the Draft Law that financial reports submitted by political parties and auditors are published without undue delay, including in cases where the Central Election Commission decides to initiate a verification procedure, while also remaining publicly available over an extended period; [para 81]

3. to establish in the Draft Law clear and consistent rules for the valuation of in-kind contributions, including services and other non-monetary support; [para 84]

4. to set out the core elements of the electronic reporting framework in the Draft Law or other primary legislation while leaving technical and operational details to be specified through secondary legislation; [para 88]

E. Regarding supervisory authority:

1. to further clarify in the Draft Law the scope of the Central Election Commission's investigative powers, including by simpecifying the categories of "third parties" subject to information requests by CEC, in order to enhance legal certainty and ensure the effective exercise of these powers; [para 92]

2. to envisage in the Draft Law the mechanisms for inter-institutional cooperation, including, where appropriate, provisions enabling interoperability between institutional databases, while ensuring that the Central Election Commission plays a central coordinating role and that detailed technical modalities are defined through secondary legislation; [para 97]

3. to explicitly include the Central Election Commission’s responsibility to maintain and ensure public access to political party finance data among the powers listed in Article 19 of the Draft Law; [para 99]

F. Regarding sanctions:

1. to envisage in the Draft Law that the fines for excessive donations be calibrated as a multiple of the amount exceeding the applicable limits; [para 108]

2. to clarify and more precisely define the violations set out in Article 21(ë), and to delineate them clearly from those in Article 21(d), in order to ensure legal certainty, proportionality of sanctions, and to prevent inconsistent or arbitrary application; [para 110]
3. to clearly define the criteria and procedures governing restrictions on electoral participation due to outstanding financial obligations, including safeguards for cases under pending legal dispute, in order to ensure legal certainty and protect the right to participate in elections; [para 112]
4. To extend the list of existing sanctions under the Draft Law to cover all substantive obligations established in the Draft Law, either by supplementing the list of sanctions under Article 21 or, alternatively, by introducing a general sanctioning clause covering all violations not expressly subject to specific penalties; [para 117]
5. To introduce clear sanctions for the receipt of donations from prohibited sources and to clarify political parties' obligations to verify the legality of donations, including procedures for handling and transferring unlawful or in-kind contributions. [para 118]

These and additional recommendations are included throughout the text of this Opinion, highlighted in bold.

As part of its mandate to assist OSCE participating States in implementing their OSCE human dimension commitments, ODIHR reviews, upon request, draft and existing laws to assess their compliance with international human rights standards and OSCE commitments and provides concrete recommendations for improvement.

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I. INTRODUCTION

1. On 1 April 2026, the Co-Chairs of the Special Parliamentary Committee for the Implementation of the Electoral Reform of Albania sent to the OSCE Office for Democratic Institutions and Human Rights (hereinafter "ODIHR") a request for an urgent legal review of the draft Law "On the Financing of Political Parties" (hereinafter "the Draft Law").
2. On 13 April 2026, ODIHR responded to this request, confirming the Office's readiness to prepare an urgent legal opinion on the Draft Law to assess its compliance with international human rights standards and OSCE human dimension commitments. Given that the Draft Law is expected to be further amended, ODIHR has decided to publish the present interim analysis of the Draft Law, which may be followed by the publication of a Follow-up Opinion on the revised Draft Law at a later stage. Given the short timeline to prepare this legal review, the present legal analysis does not provide a detailed analysis of all the provisions of the Draft Law but primarily focuses on the most concerning issues in terms of compliance with international human rights and democratic governance standards. A more comprehensive and detailed analysis may follow, that may revisit some of the preliminary findings and recommendations contained in the Urgent Interim Opinion. The absence of comments on certain provisions of the Draft Law should not be interpreted as an endorsement of these provisions.
3. This Urgent Interim Opinion was prepared in response to the above request. ODIHR conducted this assessment within its general mandate to assist OSCE participating States in the implementation of their OSCE human dimension commitments.

II. SCOPE OF THE URGENT INTERIM OPINION

4. The scope of this Urgent Interim Opinion covers the Draft Law submitted for review. Thus limited, the Urgent Interim Opinion does not constitute a full and comprehensive review of the entire legal and institutional framework governing the financing of political parties and election campaigns in Albania.
5. The Urgent Interim Opinion raises key issues and highlights areas of concern. In the interest of conciseness, it focuses on those provisions that require amendments or improvements rather than on positive aspects of the Draft Law. The ensuing legal analysis is based on international and regional human rights and rule of law standards, norms and recommendations, as well as relevant OSCE human dimension commitments and international good practices, including the Joint Guidelines on Political Party Regulation issued by ODIHR and the Council of Europe's European Commission for Democracy through Law (hereinafter "Venice Commission").[1] Reference is also made to the relevant findings and recommendations from previous ODIHR election observation reports and legal opinions.
6. The Urgent Interim Opinion also highlights, as appropriate, good practice from other OSCE participating States in this field. When referring to national legislation, ODIHR

1 See the ODIHR-Venice Commission, *Guidelines on Political Party Regulation* (2nd ed., 2020).

does not advocate for any specific country model but rather focuses on providing clear information about applicable international standards while illustrating how they are implemented in practice in certain national laws. Any country example should be approached with caution since it cannot necessarily be replicated in another country and has always to be considered in light of the broader national institutional and legal framework, as well as country context and political culture.

7. Moreover, in accordance with the Convention on the Elimination of All Forms of Discrimination against Women[2] (hereinafter "CEDAW") and the 2004 OSCE Action Plan for the Promotion of Gender Equality[3] and commitments to mainstream gender into OSCE activities, programmes and projects, the Urgent Interim Opinion integrates, as appropriate, a gender and diversity perspective.

8. In view of the above, ODIHR stresses that this review does not prevent ODIHR from formulating additional written or oral recommendations or comments on respective subject matters in Albania in the future.

III. LEGAL ANALYSIS AND RECOMMENDATIONS

1. Relevant International Human Rights Standards and OSCE Human Dimension Commitments

9. Political parties are essential actors in democratic systems and play a central role in ensuring political pluralism and the proper functioning of representative democracy. They should be regulated in a manner that supports the rights to freedom of association and expression, as well as genuine and democratic elections. These rights are fundamental to the proper functioning of a democratic society.[4] To fulfil their core functions, political parties need appropriate funding both during and between election periods. At the same time, the regulation of political party financing and its transparency are essential to ensure integrity of political processes and guarantee political parties' independence from undue influence of private donors, state and public bodies, as well as to ensure that parties have the opportunity to compete in accordance with the principle of equal opportunity.[5]

10. International standards pertaining to democratic participation are articulated, *inter alia*, in Article 21 of the Universal Declaration of Human Rights and Article 25 of the International Covenant on Civil and Political Rights (ICCPR),[6] which guarantee the right of citizens to take part in the conduct of public affairs and to vote and be elected at genuine periodic elections. The rights to freedom of expression and opinion and the right to freedom of association guaranteed by Articles 19 and 22 of the ICCPR are also of relevance. International standards on financing political parties and election campaigns are also found in Article 7 (3) of the United Nations Convention against Corruption

2 See *UN Convention on the Elimination of All Forms of Discrimination against Women* (hereinafter "CEDAW"), adopted by General Assembly resolution 34/180 on 18 December 1979. Albania ratified this Convention on 9 November, 1993.
3 See *OSCE Action Plan for the Promotion of Gender Equality, adopted by Decision No. 14/04, MC.DEC/14/04* (2004), para. 32.
4 ODIHR and Venice Commission, *Joint Guidelines on Political Party Regulation* (2nd edition, 2020), para. 17.
5 *Ibid*. para. 204.
6 See *International Covenant on Civil and Political Rights* adopted by the UN General Assembly by resolution 2200A (XXI) of 16 December 1966. Albania acceded the Covenant on 4 October 1991. See also UN Human Rights Committee, *General Comment 25: The right to participate in public affairs, voting rights and the right of equal access to public service*, UN Doc. CCPR/C/21/Rev.1/Add.7, especially para. 19, which allows for limitations on campaign expenditures.

(hereinafter "UNCAC")[7] and continue to be shaped by the Conference of the States Parties (CoSP) to UNCAC. In particular, the 2025 Resolution 11/7 of the CoSP[8] underscores the importance of enhancing transparency in the financing of political parties and election campaigns, while addressing emerging risks associated with increasingly complex and indirect financing arrangements, as a core component of anti-corruption frameworks and prevention of economic crimes.

11. Furthermore, the CEDAW is relevant to gender equality and diversity inclusion, in particular its Articles 4 (on temporary special measures to enhance gender equality) and 7 (on eliminating discrimination against women in political and public life). The CEDAW General Recommendations No. 23: Political and Public Life[9] and No. 40 on the Equal and Inclusive Representation of Women in Decision-making Systems are also of relevance.[10] In addition, Article 29 of the UN Convention on the Rights of Persons with Disabilities (hereinafter "CRPD") also focuses on the participation of persons with disabilities in political and public life.[11]

12. At the regional level, Article 11 of the European Convention on Human Rights (hereinafter "ECHR") sets standards regarding the right to freedom of association, protecting political parties and their members as special types of associations.[12] Furthermore, the right to freedom of opinion and expression under Article 10 of the ECHR and the right to free elections guaranteed by Article 3 of the First Protocol to the ECHR are also relevant when reviewing legislation on political parties. The case law of the European Court of Human Rights (hereinafter "ECtHR") provides additional guidance for Council of Europe (hereinafter "CoE") Member States on ensuring that laws and policies governing political parties comply with rights and freedoms guaranteed by the ECHR. With respect to the financing of political parties and electoral campaigns specifically, it is also important to highlight the CoE Committee of Ministers' Recommendation (2003)4 on Common Rules Against Corruption in the Funding of Political Parties and Electoral Campaigns (hereinafter "CoE Committee of Ministers' Recommendation Rec(2003)4"),[13] which calls on governments to regulate the sources of funding for political parties and election campaigns, control campaign expenditures, enforce reporting and disclosure requirements, and establish oversight mechanisms supported by effective sanctions. Additional guidance on the regulation of the financing

7 See *UN Convention against Corruption*, adopted by the General Assembly on 31 October 2003, by resolution 58/4. The Convention entered into effect on 14 December 2005, and Albania ratified it on 26 May 2006. Article 7 (3) of the UNCAC requires that "*each State Party shall also consider taking appropriate legislative and administrative measures, consistent with the objectives of this Convention and in accordance with the fundamental principles of its domestic law, to enhance transparency in the funding of candidatures for elected public office and, where applicable, the funding of political parties*".

8 See UNCAC Conference of the States Parties (CoSP), *Resolution 11/7 on Preventing and Combating Corruption through Enhancing Transparency in the Funding of Political Parties, Candidatures for Elected Public Office, and Electoral Campaigns*, adopted during the 11th session of the CoSP held in Doha, Qatar, from 15 to 19 December 2025, which highlights in particular the need to strengthen oversight mechanisms, including through improved inter-institutional co-operation, and to prevent undue influence as well as the circumvention of legal restrictions, while also reflecting a growing international recognition that political finance frameworks must adapt to evolving risks, including those arising from new technologies and increasingly sophisticated financial flows.

9 See the CEDAW Committee, *General Recommendation No. 23*: Political and Public Life.

10 See e.g., CEDAW Committee, *General recommendation No. 40 (2024) on the equal and inclusive representation of women in decision-making systems*, 25 October 2024, para. 39 (d), which recommends introducing "*codes of conduct, with an intersectional perspective, in parliament, government, regional and local councils and political parties, public service and private sector companies to eliminate all forms of gender-based violence against women and hate speech, with independent complaint mechanisms and confidential counselling and provide corresponding training to all officials and staff*".

11 See the *UN Convention on the Rights of Persons with Disabilities*, adopted on 13 December 2006 during the sixty-first session of the General Assembly by resolution A/RES/61/106. Albania ratified the Convention on 11 February 2013.

12 See the *Council of Europe's Convention for the Protection of Human Rights and Fundamental Freedoms* entered into force on 3 September 1953.

13 See CoE Committee of Ministers, *Recommendation Rec(2003)4* to member states On Common Rules Against Corruption in the Funding of Political Parties and Electoral Campaigns, adopted on 8 April 2003.

of political parties and electoral campaigns is also provided by the Parliamentary Assembly of the CoE Recommendation 1516(2001) on financing of political parties.[14]

13. Given the EU candidate status of Albania and the opening of all the clusters of the EU accession negotiations,[15] including 'Cluster 1: Fundamentals', which focuses *inter alia* on the functioning of democratic institutions, rule of law and public administration reform, the need to strengthen the legal and institutional framework for the fight against corruption is paramount. The latest European Commission's Report notes specifically that the current legal framework regarding political party financing lacks effectiveness and should be reformed.[16]

14. According to paragraph 7.6 of the 1990 OSCE Copenhagen Document, OSCE participating States committed to "*respect the right of individuals and groups to establish, in full freedom, their own political parties or other political organisations and provide such political parties and organisations with the necessary legal guarantees to enable them to compete with each other on a basis of equal treatment before the law and by the authorities*."[17] The 1990 OSCE Copenhagen Document also underlines the importance of "*a clear separation between the State and political parties; in particular, political parties will not be merged with the State*" [18] and everyone's right to "*effective means of redress against administrative decisions so as to guarantee respect for fundamental rights and ensure legal integrity*".[19] Legal redress should provide "the possibility for judicial review of such regulations and decisions".[20] Additionally, Ministerial Council Decision 7/09 on women's participation in political and public life is of interest.[21]

15. The ensuing recommendations from the Urgent Interim Opinion will also refer, as appropriate, to other non-binding documents that provide further detailed guidance and recommendations. These include the ODIHR and Venice Commission Joint Guidelines on Political Party Regulation[22] (hereinafter "the Joint Guidelines"), the ODIHR and Venice Commission Joint Guidelines on Freedom of Association,[23] the ODIHR Opinions on draft and existing legislation on political parties and political finance,[24] the findings and recommendations from ODIHR Election Observation Reports on Albania,[25] and the Reports of the CoE Group of States against Corruption (GRECO) relating to the transparency of party funding in Albania.[26] Other ODIHR and OSCE publications and documents may also be of particular relevance, including the *ODIHR Note on Third Party*

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14 See Parliamentary Assembly of the Council of Europe (PACE), *Recommendation 1516(2001)* on financing of political parties, adopted by the Standing Committee, acting on behalf of the Assembly, on 22 May 2001, which states: *"[t]he (Parliamentary) Assembly believes that the rules on financing political parties and on electoral campaigns must be based on the following principles: a reasonable balance between public and private funding, fair criteria for the distribution of state contributions to parties, strict rules concerning private donations, a threshold on parties' expenditures linked to election campaigns, complete transparency of accounts, the establishment of an independent audit authority and meaningful sanctions for those who violate the rules."*

15 See <Albania - Enlargement and Eastern Neighbourhood - European Commission>.

16 See European Commission, *Commission Staff Working Document – Albania 2025 Report*, SWD(2025) 750 final, 4 November 2025, pp. 23 and 32. See also European Commission Staff Working Document, *2025 Rule of Law Report - Country Chapter on the rule of law situation in Albania*, SWD(2025) 928 final, 8 July 2025, Part II on Anti-Corruption.

17 See the *1990 OSCE Copenhagen Document*, para. 7.6.

18 See the *1990 OSCE Copenhagen Document*, para. 5.4.

19 See the *1990 OSCE Copenhagen Document*, para. 5.10.

20 Under Article 2.3(a) of the ICCPR, States Parties have the obligation *"[t]o ensure that any person whose rights or freedoms as herein recognized are violated shall have an effective remedy, notwithstanding that the violation has been committed by persons acting in an official capacity*"; see also UN Human Rights Committee, General Comment No. 31, para. 15. In addition, Article 13 of the ECHR guarantees an effective remedy before a national authority to everyone whose rights and freedoms are violated, notwithstanding that the violation has been committed by people acting in an official capacity.

21 See the *OSCE Ministerial Council Decision 7/09*, 2 December 2009, Women's participation in political and public life.

22 See the *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation* (2nd edition, 2020).

23 See the ODIHR and the Venice Commission *Joint Guidelines on Freedom of Association*.

24 Available at: <ODIHR Legal reviews | Political Parties | LEGISLATIONLINE>.

25 Available at: <Elections in Albania | Organization for Security and Co-operation in Europe>.

26 See GRECO's, *all evaluation cycles for Albania*. Albania has been a member of GRECO since 27 April 2001.

Regulations in the OSCE Region (2020);[27] the *ODIHR Guidelines for Observation of Election Campaigns on Social Networks* (2021); the ODIHR Guidelines on Promoting the Political Participation of Persons with Disabilities (2019);[28] the *ODIHR Handbook for the Observation of Campaign Finance* (2015); the OSCE High Commissioner on National Minorities (hereinafter "OSCE/HCNM") *Handbook on Observing and Promoting the Participation of National Minorities in Electoral Processes* (2014)[29] and the *ODIHR Handbook on Media Monitoring for Election Observation Missions* (2012).

2. BACKGROUND

16. The regulation of political party financing is a key component of a democratic system, aimed at ensuring a level playing field among political actors, safeguarding political parties' independence from undue influence, and promoting transparency, accountability and integrity in public life. Political finance frameworks are designed to limit the negative influence of money in politics by ensuring disclosure of financial information and by holding political actors accountable through effective oversight and sanctioning mechanisms. The reform of political party financing legislation also offers an important opportunity to introduce measures aimed at promoting gender equality and diversity in political participation.[30]

17. Article 9 of the Constitution of the Republic of Albania provides that political parties are created freely and that their organization shall conform with democratic principles, while "the sources of financing of parties as well as their expenses are always made public" (Article 9 (3)). Currently, Albania's political finance framework is primarily governed by two legal instruments – the Law on Political Parties (hereinafter "LPP")[31] and the Electoral Code (hereinafter "EC")[32] – which collectively regulate sources of funding, as well as reporting, disclosure, oversight, and sanctions. While the coexistence of parallel legal frameworks governing the financing of political parties and of election campaigns is not uncommon, inconsistencies between these instruments, together with regulatory gaps in areas such as loans, third-party financing, and enforcement, may undermine the overall coherence and effectiveness of the system.

18. In this regard, the Draft Law's objective to consolidate and further develop the regulation of political party financing in Albania through the introduction of a dedicated law governing political parties' income, expenditure, transparency, reporting, and oversight is to be welcomed. Upon its adoption, the related existing provisions of the LPP will be repealed. While a number of the Draft Law's provisions build upon and clarify existing rules, in particular those currently set out in the LPP, the extent to which the Draft Law introduces substantive changes to the existing financing framework appears to be more limited in certain areas. At the same time, it is important to ensure that the Draft Law, the LPP, and the EC are fully aligned and do not give rise to inconsistencies or contradictions in their application.

27 See *ODIHR Note on Third Party Regulations in the OSCE Region* (2020).
28 See ODIHR, *Guidelines on Promoting the Political Participation of Persons with Disabilities* (2019).
29 OSCE High Commissioner on National Minorities (OSCE/HCNM), *Handbook on Observing and Promoting the Participation of National Minorities in Electoral Processes* (2014).
30 The ODIHR Election Observation Mission Final Report on the 2025 Parliamentary Elections in Albania, p. 4, noted in particular that "*Women's political participation has grown in recent years, yet their advancement remains constrained by entrenched structural barriers, particularly weak internal party democracy and limited access to funding*".
31 Available at: <Law on Political Parties - Official Publications Centre>.
32 Available at: <Electoral Code - Official Publications Centre>.

19. In this context, the effectiveness of the proposed framework will largely depend on the availability of adequate implementation mechanisms, particularly in light of several important innovations introduced by the Draft Law. These include, *inter alia*, the establishment of a dedicated electronic reporting platform enabling the real-time disclosure of financial data; strengthened transparency obligations, including publication requirements for parliamentary parties; stricter limitations on funding sources and cash transactions; enhanced internal and external audit mechanisms; and expanded oversight powers of the CEC. The introduction of more detailed rules on the allocation of public funding – including incentives linked to gender equality and youth participation – also constitutes a notable development, although further elaboration may be needed to ensure their effectiveness in practice (see paras 36-38 *infra*).

20. At the same time, the effective implementation of these measures will depend to a significant extent on the operational capacity of the CEC and availability of adequate financial and human resources to carry out its functions, including its ability to manage digital reporting systems, carry out thorough and timely verification, and identify potential circumvention practices. It is further noted that, in several instances, the Draft Law entrusts the CEC with the adoption of secondary legislation to further specify key elements of the framework. While this may allow for a degree of flexibility, leaving core elements rather than technical modalities to secondary legislation may raise concerns about legal certainty and consistency. . It should be noted in this respect that Article 15/1 (1) of the LPP currently provides that the provisions of the relevant chapter of the LPP on political party finance regulate aspects not covered by the EC, thereby confirming the primacy of the EC as *lex specialis* and clarifying that the LPP applies only insofar as the EC does not otherwise regulate the matter. As this provision will be repealed by the Draft Law, **it is advisable that the new framework includes a similar clarifying clause to ensure legal certainty and a coherent delineation of the applicable regulatory regimes**.

3. General Comments

21. This Urgent Interim Opinion examines the key elements of the Draft Law, including provisions on sources of financing, transparency and reporting requirements, as well as oversight and sanctions. The analysis also identifies areas where further clarification or strengthening may be warranted in order to enhance the overall effectiveness, coherence, and enforceability of the framework.

22. In particular, the misuse or abuse of state resources in favour of, or against, particular political parties has been identified as a recurrent challenge to the conduct of democratic elections across Europe.[33] Albania is not an exception in this regard, as ODIHR election observation reports on the 2021 and 2025 elections have noted instances of such practices.[34]

33 See *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation* (2nd edition, 2020), paras. 250-254 and CoE Congress of Local and Regional Authorities, *Report on the Misuse of Administrative Resources during Electoral Processes: the role of local and regional elected representatives and public officials*, CG31(2016)07final. See also UNCAC Conference of the States Parties (CoSP), *Resolution 11/7 on Preventing and Combating Corruption through Enhancing Transparency in the Funding of Political Parties, Candidatures for Elected Public Office, and Electoral Campaigns*, Operative Paragraph 11, which calls upon States Parties "*to prohibit the misuse of publicly controlled resources in a manner that supports or undermines any political party, candidature for elected public office or electoral campaign, where applicable, and to mandate the competent national authorities or oversight bodies, as appropriate, to monitor for and detect such misuse*".

34 See the ODIHR 2025 Election Observation Mission Final Report (pages 16-17) and the 2021 Limited Election Observation Mission Final Report (pages 15-16). See also the 2023 report on local elections also refers to the same issue.

23. As will be discussed in greater details below (see Sub-Section 4.3. *infra*), the Draft Law includes a provision stipulating that political parties may not receive financial or material support from "*domestic public entities and commercial companies, including companies with state capital participation*" (Article 7 (1) (dh)). In addition, the Albanian Constitution establishes the principle of equality before the law (Article 18), while the EC contains specific provisions aimed at preventing the misuse of state resources (Articles 91-92).

24. In light of the significance of this issue, **it is recommended that the Draft Law be further strengthened by introducing more comprehensive and explicit safeguards against the misuse of state resources by political parties. Since the provisions contained in Article 91 (1)-(2) of the EC apply to "electoral subjects", their scope may not extend to political parties outside electoral periods, thereby leaving a potential regulatory gap.**

25. At the same time, since this issue is already regulated by the EC and to avoid possible inconsistency and overlapping, as already emphasized above (see para 20 *supra*), it may therefore be advisable to more clearly delineate the respective scope of the Draft Law and the EC, including by clarifying whether safeguards against the misuse of state resources outside electoral periods are intended to be addressed here, or whether reliance on, or cross-reference to, the EC Code would ensure greater coherence of the overall legal framework.

26. Furthermore, the Draft Law does not appear to address the issue of expenditure incurred in favour of, or against, a political contestant or a political party by actors who are not themselves electoral contestants (so-called non-contestant or third-party funding). In this regard, the Joint Guidelines on Political Party Regulation note that, "*in order to avoid the creation of loopholes through which unlimited funding can be channelled and financial transactions can be obscured, legislation should establish proportionate and reasonable limits on third-party spending for the promotion of candidates or parties, ideally by aligning such limits with existing ceilings applicable to donations to political parties*".[35]

27. In addition, the UNCAC COSP Resolution 11/7, Operative Paragraph 9, encourages States Parties to consider measures to regulate legal entities and arrangements that finance communication activities aimed at influencing electoral outcomes, including by requiring the disclosure of the identity of the sponsors of such activities.[36]

28. While it could be argued that provisions regulating non-contestant or third-party campaigning would be more appropriately situated in the EC, it may be advisable to address in the Draft Law third-party financing arrangements that may serve to circumvent political party funding rules. In this context, **it is recommended that the Draft Law include provisions addressing third-party financing, including situations where third parties incur expenses on behalf of or for the benefit of political parties** (see, for instance, the definition of "party income" in Article 2 (9) of the Draft Law). For that purpose, **the legal drafters should introduce a clear definition of what is meant by third-party financing, while ensuring that the same existing ceilings for donations to political parties and rules on spending and reporting/public disclosure as those applicable to political parties also apply to such entities or persons**.[37]

35 See *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation* (2nd edition, 2020), para. 220.
36 UNCAC CoSP, 2025 Resolution 11/7, Operative Paragraph 9.
37 The legislation should aim at clearly distinguishing between affiliated persons or entities that are nominally separate from a party but in fact are related, directly or indirectly, to a political party or are otherwise under the control of a political party from true third parties

RECOMMENDATION A.

To clearly regulate the key elements of political party financing in the Draft Law, while leaving only technical details to secondary legislation, and to include a clarifying provision reaffirming the delineation between the Draft Law and the Electoral Code as *lex specialis*, in order to enhance legal certainty and ensure consistent implementation.

4. SOURCES OF FUNDING

29. Article 6 of the Draft Law establishes a mixed system of political party financing, comprising public funding, membership fees, donations, loans, and other lawful sources of income. In parallel, Article 4 defines the permissible uses of political parties' financial and material resources, providing that such resources may be used to finance, *inter alia*, regular party activities, the functioning of local branches, electoral and annual activities, women's and youth organizations, parliamentary groups, as well as other activities – including those carried out in public and/or social media – aimed at promoting the party's programme and objectives. The provision further explicitly prohibits the use of party resources for personal benefit, which is a welcome safeguard.

30. At the same time, certain aspects of these provisions could benefit from further clarification in order to enhance legal certainty and facilitate effective implementation and oversight. In particular, the distinction between "regular activities" and "annual activities" is not clearly defined[38]. **Clarifying their respective scope – potentially through definitions or illustrative examples – would help prevent inconsistent interpretation and application in practice, including in the context of financial reporting and verification**.

4.1. Public Funding and Other Support

31. Public funding mechanisms are commonly designed to mitigate the undue influence of private financial resources on political and electoral processes. By facilitating access to financial and material resources, they should promote more equitable conditions for political competition and foster political pluralism, including by supporting emerging or smaller political actors. In addition, public funding – whether provided in monetary form or through in-kind support, such as access to the media or public infrastructure – may contribute to enhancing the representation of underrepresented groups, including women, young people, and persons with disabilities.

third parties that do not campaign in communication and collaboration with any of the contestants or political parties; see CoE Committee of Ministers, *Recommendation Rec(2003)4* to member states On Common Rules Against Corruption in the Funding of Political Parties and Electoral Campaigns, Article 6; *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation* (2nd edition, 2020), para. 222. See also ODIHR, *Final Opinion on the Law of Montenegro on Financing of Political Entities and Election Campaigns,* 2024, paras. 79-81.

38 Since "regular activities" and "annual activities" are listed separately in the list of uses of party funds in the draft law Article 4, it is assumed that they refer to different types of uses. However, neither term is defined further in the Draft Law.

32. Article 11 of the Draft Law sets out the criteria for the allocation of public funds, largely reflecting the approach currently provided under Article 19 of the LPP. Under this system, 70 per cent of the annual public grant is allocated on the basis of the number of parliamentary seats held, 20 per cent is distributed equally among parliamentary parties and parties that received at least 10,000 votes in the most recent general elections, and 10 per cent is allocated to political entities that have participated in the most recent general elections and obtained more than 1 per cent of votes nationwide. The allocation of public funding is not limited exclusively to parties represented in parliament or municipal assemblies, but also extends to parties demonstrating a minimum level of electoral support below the electoral threshold of 3 per cent – which is generally welcome. At the same time, the proposed allocation may still lean in favour of larger, established parties and may still be too high to ensure meaningful access for very small or newly established parties.[39] The legal drafters may consider re-assessing the proposed criteria with a view to further contributing to political pluralism.

33. A notable feature of the Draft Law is the introduction of a dedicated financial allocation, amounting to 5 per cent of the annual public fund, to be distributed among eligible political parties on the basis of activities and initiatives aimed at promoting gender equality and the participation of young people in political life (Article 11(6))[40]. Although only a limited number of countries have enacted legislation linking gender equality with public party funding,[41] public funding may be a useful policy tool to encourage political parties to adopt more inclusive practices, including through incentives linked to gender equality, youth participation, the inclusion of persons with disabilities or national minorities, as well as broader internal party development and policy engagement.[42] Measures linking gender equality and/or diversity target with political finance may take different forms, including financial incentives,[43], sanctions or reduced portion of public funding,[44] and the earmarking of public funds specifically for gender equality purposes.[45]

34. While the introduction of targeted funding measures constitutes a positive development in principle, Article 11 (6) of the Draft Law leaves the detailed criteria, methodology, and allocation mechanisms to be determined through secondary legislation adopted by the CEC. The absence of clearly defined parameters in primary legislation may

39 See *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation* (2nd edition, 2020), paras. 239-242.

40 Of note, the ODIHR Election Observation Mission Final Report on the 2025 Albanian parliamentary elections recommended that, to increase women's political participation, public funding could be linked to concrete inclusivity measures and that political parties should consider reforming internal party mechanisms to increase women's representation within party structures, including access to funds.

41 According to the International IDEA political finance database, just 17 per cent of countries worldwide link the provision of direct public funding to political parties to gender equality among candidates, see International IDEA Political Finance Database, Question 36.

42 See, for example, ODIHR *Final Opinion* on the Law of Montenegro on Financing of Political Entities and Election Campaigns, paras. 47-48; ODIHR-Venice Commission, *Joint Opinion on the Draft Law of Mongolia on Political Parties*, CDL-AD(2022)013, para. 26.

43 For instance, in Mongolia, Article 26.3.1 of the Law on Political Parties envisages at least 20 per cent of state financing for supporting political participation and training of social interest groups including women, elders, youth, and persons with disabilities; the Law further provides a financial incentive for parties that nominate women candidates beyond the gender quota mandated by the Parliamentary Elections Law and for any elected MPs with disabilities - a one-time bonus "*in the subsequent year of the respective regular election*" (Article 27.7). In Croatia, political parties receive an additional 10 per cent of the amount envisaged for each member of parliament for each woman elected (Article 9 of the Act on the Financing of Political Activities, Election Promotion and Referendums). See also e.g., International IDEA, Ohman, Magnus, Gender-targeted Public Funding for Political Parties, 2018, p. 24.

44 For instance, in France, Article 9-1 of the Law No. 88-227 of 11 March 1988 on the financial transparency of political life provides that "*Where, for a political party or grouping, the difference between the number of candidates of each sex who declared that they were affiliated with that party or grouping, at the time of the last general renewal of the National Assembly, in accordance with the fifth paragraph of Article 9, exceeds 2% of the total number of such candidates, the amount of the first fraction allocated to it pursuant to Articles 8 and 9 shall be reduced by a percentage equal to 150% of that difference in relation to the total number of such applicants, but this reduction may not exceed the total amount of the first part of the aid*". In Ireland, Section 42 of the Electoral (Amendment) (Political Funding) Act 2012 provides that political parties must meet specified gender thresholds among their candidates (initially 30%, increasing to 40%), failing which they lose a portion of their public funding.

45 For instance, in Finland, Sweden or Slovenia; see International IDEA, Ohman, Magnus, Gender-targeted Public Funding for Political Parties, 2018, p. 24.

negatively affect the effectiveness of the measure and this approach may raise concerns regarding legal certainty, consistency of application, and the potential for broad discretion in the allocation of funds.

35. It is also unclear whether the allocated public funding is earmarked to pursue activities and initiatives aimed at promoting gender equality and the participation of young people in political life. If this is the case, this should be specified and adequate reporting, oversight and enforcement mechanism should be elaborated in primary legislation. In particular, where reporting obligations are insufficiently detailed and enforcement is weak, earmarked funding risks being underutilized, misreported, or diverted to purposes unrelated to the promotion of women's political participation.[46] It is noted that CEDAW General Recommendation No. 40 specifically calls upon states to support the creation and strengthening of women's sections in political parties, including through earmarked funds.[47] The General Recommendation further mandates "gender parity", meaning 50:50, in decision-making bodies of political parties along with appropriate enforcement or sanction mechanisms or incentives to ensure implementation in practice.[48] The legal drafters could consider supplementing the Draft Law with additional performance-based incentives, such as linking a portion of public funding to measurable progress in women's representation in party leadership structures, the setting-up or strengthening of party women's section and/or the adoption and implementation of internal gender equality action plans by political parties.[49]

36. **It is, therefore, recommended to further specify in the Draft Law itself clear, objective, and transparent criteria governing the allocation of this public funding tied to the promotion of gender equality and youth participation, while leaving technical and procedural aspects to be regulated by the CEC. In this regard, the Draft Law should more clearly define the activities and initiatives that are targeted[50] and specify whether the allocated public funding shall be earmarked to pursue activities and initiatives related to the promotion of gender equality and the participation of young people in politics and specify eligible expenditures**.[51]

37. In this respect a greater clarity is also recommended regarding the types of expenditures it should not be used for, including to contribute to the salary of staff unrelated to work on gender equality and youth participation or to generic activities such as conferences and meetings that are unrelated to the promotion of women's participation.[52] At the same time, it should be take into account that listing non-eligible expenditures could, *a contrario*, be interpreted as permitting all other uses not explicitly excluded, potentially weakening the intended purpose of the earmarking. **It may therefore be preferable to define more clearly the eligible categories of expenditure and the objectives of the funding in order to ensure both legal certainty and effective targeting of the measure.**

46 See, for example, ODIHR *Final Opinion* on the Law of Montenegro on Financing of Political Entities and Election Campaigns, para. 50; ODIHR-Venice Commission *2022 Joint Opinion*, para. 26.

47 See the CEDAW Committee, *General recommendation No. 40 (2024*) on the equal and inclusive representation of women in decision-making systems, para. 51 (e).

48 See the CEDAW Committee, *General recommendation No. 40 (2024*) on the equal and inclusive representation of women in decision-making systems, para. 51 (d).

49 See, for example, ODIHR *Final Opinion on the Law of Montenegro on Financing of Political Entities and Election Campaigns*, para. 50; ODIHR-Venice Commission *2022 Joint Opinion*, para. 26.

50 For instance, capacity-building and training for women or young candidates, support for women's political caucuses or youth groups or networks within parties, awareness-raising and outreach activities aimed at increasing women's and youth participation, and measures addressing barriers such as violence against women in politics, while explicitly excluding the use of such funds for unrelated administrative or operational expenses.

51 See, ODIHR *Final Opinion on the Law of Montenegro on Financing of Political Entities and Election Campaigns*, paras. 48-51.

52 *Ibid.* paras. 48-51.

38. **It would also be beneficial to mention funds to support more diverse political participation, including of persons with disabilities and of minorities within parties,** including for awareness-raising and educational campaigns among politicians, in the media and among the general public, about the need for the full, free and equal democratic participation in political and public life.[53] The above initiatives would align with international standards aimed at promoting gender equality and diversity in political participation.[54]

39. The Joint Guidelines state that *"[t]he timing for allocating public support to political parties should be determined by relevant legislation"*.[55] The Draft Law does not, however, specify when direct public funding to political parties is to be disbursed. **In order to enhance legal certainty, predictability, and transparency in the allocation of public resources, it is recommended that the Draft Law include clear provisions regulating the timing of such disbursements.**

40. The Draft Law also provides for indirect public funding, referred to as "facilitating measures" under Article 20, i.e., the allocation of material support by the state to political parties, including free of charge access to public media during election periods and the provision of premises for central headquarters and local offices. These provisions broadly reflect the approach set out in Articles 22 and 22/1 of the LPP – that will be repealed upon adoption of the Draft Law, while further clarifying applicable procedures.

41. At the same time, the Draft Law does not specify the modalities governing access to public media. **In this respect, it should be clarified whether this entitlement applies to all political parties or only to those meeting certain criteria, as well as whether access is to be granted on an equal or proportional basis, for instance in relation to previous electoral performance**. Clearer regulation in this regard would enhance legal certainty, transparency, and the consistent application of the provision, reducing the risk of arbitrary or discriminatory use of public resources. While it is not uncommon that such access is provided to parliamentary parties, as well as those meeting certain electoral thresholds, it may have implications for equal opportunities and political pluralism, favouring established political actors and placing smaller or newly established parties at a comparative disadvantage. Given that these forms of material support constitute indirect public funding, their allocation should be carefully calibrated to ensure a level playing field among political actors and to avoid reinforcing existing disparities. It is noted that indirect public support can also support greater equality for underrepresented or marginalized groups, such as women, youth and persons with disabilities.[56] **It is advisable to clarify that such support should be granted in a manner that guarantees equitable access for all political parties,** while considering incorporating gender-sensitive measures, such as minimum media coverage requirements for women candidates.

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53 See ODIHR, *Guidelines on Promoting the Political Participation of Persons with Disabilities* (2019); *Addressing Violence against Women in Politics In the OSCE Region: Toolkit* (especially Tool 3 for Political Parties) (2022); *Handbook on Promoting Women's Participation in Political Parties* (2014); OSCE High Commissioner on National Minorities, *The Lund Recommendations on the Effective Participation of National Minorities in Public Life* (1999).

54 As embedded in the CEDAW, the CRPD, the Beijing Declaration and Platform for Action (United Nations, Beijing Declaration and Platform for Action), CoE Recommendation Rec(2003)3 of the Committee of Ministers to member states on Balanced Participation of Women and Men in Political and Public Decision Making (adopted on 12 March 2003), and *OSCE Ministerial Council Decision No. 7/09 on Women's Participation in Political and Public Life*, 4 December 2009. See also *International IDEA Funding of Political Parties and Election Campaigns*, p. 354. See also *ODIHR Opinion on Laws Regulating the Funding of Political Parties in Spain*, para. 70.

55 See *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation* (2nd edition, 2020), para. 237.

56 ODIHR *Final Opinion on the Law on Political Parties of Mongolia (2025)*, para. 89; see also ODIHR-Venice Commission *2022 Joint Opinion*, para. 99.

42. Moreover, the Draft Law does not specify any competent authority or regulatory mechanism with respect to access to public mass media, unless this is regulated in separate legislation in which case, a cross-reference should be inserted. It remains unclear whether such matters would fall within the general power of the CEC to "*issue sublegal acts for the purposes of, and in implementation of, the provisions of this law*" (Article 19 (1) (ë)). **In order to ensure legal certainty and a coherent regulatory framework, it is advisable to explicitly designate the competent authority governing access to public mass media.**

43. In addition, according to the Draft Law, any political party whose average share of votes in the last three parliamentary elections has exceeded 1 per cent nationwide should be granted access to premises for their central headquarters and local offices free of charge (Article 20 (1) (b) of the Draft Law). It should be noted, however, that the requirement to meet a one per cent threshold across the last three consecutive parliamentary elections may, in practice, entail that non-parliamentary parties must have participated in Albanian electoral processes over an extended period (potentially since 2017) in order to qualify.

44. Furthermore, Article 20 (1) (c) states that where a political party has been provided with premises under a loan-for-use agreement pursuant to Article 20 (1) (3) of the Draft Law, but does not meet the conditions of the average share of votes in the last three parliamentary elections exceeding one per cent nationwide, "*it shall be entitled to conclude a lease agreement for the premises, to be used solely for its headquarters or local offices*". More detailed rules shall be laid down by decision of the Council of Ministers, upon the proposal of the Minister responsible for state property. However, this provision appears insufficiently clear, particularly as regards the applicable conditions, procedures, and financial implications. In this respect, the envisaged secondary regulation to be adopted by the Council of Ministers, upon the proposal of the Minister responsible for state property, should provide detailed and transparent criteria, procedures and conditions of such lease agreement. This would help ensure that the implementation of the provision does not result in undue disadvantages for newer or non-parliamentary political parties and that access to publicly provided premises is governed in a clear, predictable, and non-discriminatory manner.

RECOMMENDATION B.

1. To further specify in the Draft Law clear, objective, and transparent criteria governing the allocation of the public funding tied to the promotion of gender equality and youth participation, while leaving technical and procedural aspects to be regulated by the Central Election Commission and specifying that the allocated public funding shall be earmarked detailing eligible expenditures.
2. To include in the Draft Law clear provisions regulating the timing of public funding disbursements.
3. To clarify the modalities of granting free access to public mass media during election periods envisaged under Article 20 of the Draft Law, ensuring that such support is granted in a manner that guarantees equitable access for political parties, specifying whether such access is to be granted on an equal or proportional basis, for instance in relation to previous electoral performance, while considering incorporating gender-sensitive measures, such as minimum media coverage requirements for women candidates.

4. To explicitly designate in the Draft Law the competent authority governing access to public mass media.

4.2. Private Funding and Other Contributions

45. Private funding constitutes a form of political participation, enabling individuals to freely express support for a political party or candidate of their choice through financial or in-kind contributions.[57] The Joint Guidelines on Political Party Regulation emphasize that legislation establishing donation limits should strike a careful balance between, on the one hand, preventing undue influence of wealth on the political process and, on the other hand, facilitating political participation, including by allowing individuals to contribute to political parties of their choice.[58]

46. In an attempt to limit the ability of particular categories of persons or groups to gain political influence and impact the decision-making process through financial advantages, the legislation may set reasonable restrictions on private contributions, including the determination of a maximum level that may be contributed by a single donor, and the receipt of donations should be transparent.[59] Furthermore, certain sources of funding can be banned by the relevant legislation.[60]

47. Where such limitations are introduced, they should strike a careful balance between facilitating political participation, in line with international standards, and preventing undue dependence on a limited number of large donors. Excessive concentration of private funding may risk distorting political competition and undermining the integrity of democratic processes. Moreover, the effectiveness of these restrictions will depend on the existence and consistent enforcement of adequate safeguards and effective oversight to prevent their circumvention in practice.

48. The Draft Law introduces both quantitative and qualitative restrictions on donations that political parties may receive. Article 10 establishes maximum donation limits for Albanian citizens, natural persons, and legal persons at Albanian lek (ALL) 200,000 (approximately € 2,100), ALL 500,000 (approximately € 5,250), and ALL 1,000,000 (approximately € 10,500) per calendar year respectively.

49. Envisaging different donation limits for individuals on the one hand, and legal persons on the other, reflects the practice in other countries.[61] The introduction of such limits is in line with the Joint Guidelines, as well as with UNCAC CoSP Resolution 11/7.[62] In addition, it should be noticed that it is generally good practice to design donation limits to account for inflation, based on, for example, some form of indexation, such as a minimum salary value, rather than absolute amounts and this could be considered by the legal drafters.[63] Of note, Article 11 (7)-(8) of the Draft Law provides for the indexation and periodic adjustment of the amounts of public funding allocated to political parties. In a similar vein, **it is recommended that comparable provisions are introduced with regard to private donation limits, in order to ensure that their value remains proportionate over time. In line with Article 11 (7)-(8), such adjustments could be**

57 See *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation* (2nd edition, 2020), para. 209.
58 *Ibid.* paras. 209 and 213.
59 *Ibid.* para. 209.
60 *Ibid.* para. 209.
61 Quantitative donation limits also exist in relation to election campaigns (Electoral Code, Article 92/1).
62 UNCAC Conference of the States Parties, Doha, Qatar, 15-19 December 2025, Resolution 11/7, Operative Paragraph 8.
63 See *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation* (2nd edition, 2020), paras. 209, 213 and 214.

effected through decisions of the Council of Ministers or the Assembly of Albania. Alternatively, the CEC could be entrusted with the responsibility to index these limits in accordance with objective criteria.[64]

50. Article 9 (4) of the Draft Law provides that "all financial income and expenditures permitted under this law, except for membership fees, shall be made through bank transactions". However, Article 9(5) stipulates that "any monetary donation exceeding ALL 50,000 shall be made only through the banking system".[65] These provisions may give rise to ambiguity as to whether monetary donations not exceeding ALL 50,000 (approximately € 520) are also required to be made through the banking system.[66] **Clarification of this issue would be necessary in order to ensure legal certainty and consistent application in practice**. While the requirement to conduct political finance transactions through bank accounts is in line with international good practice and contributes to enhanced transparency and traceability, regulatory approaches vary across OSCE participating States. In some countries, all donations must be made exclusively through bank transfers, irrespective of the amount,[67] whereas in others, cash donations are permitted up to a specified threshold.[68] As recommended in the Joint Guidelines, "*donations above a certain (low) amount shall be made through bank transfer, bank check or bank credit card, to ensure their traceability in terms of amount and sources*".[69] If the requirement of bank transfer applies only for donations exceeding ALL 50,000, this threshold would appear rather high compared to the average monthly gross salary in Albania[70] and should be reconsidered.

51. Importantly, the quantitative limits on donations set out in Article 10 of the Draft Law do not appear to include amounts paid as membership fees. This may create a potential avenue for circumventing donation limits through the imposition of disproportionately high membership fees. Since the Draft Law does not limit the amount of membership fees which consequently can be set at a different level by each political party, there is a risk that donations could be framed as membership fees in order to circumvent the legal limits on donations.[71] To mitigate this risk, **membership fees should be explicitly treated as contributions and made subject to the applicable donation limits**.[72]

52. Furthermore, the Draft Law does not appear to adequately address risks associated with indirect or concealed forms of financing, including the use of intermediaries or so-called "straw donors". While donors are required to submit a declaration and certain categories of donors are prohibited, these safeguards may not be sufficient to prevent donations made on behalf of third parties or to identify more complex financial arrangements designed to circumvent legal requirements.

53. **Consideration could therefore be given to strengthening the Draft Law by explicitly prohibiting donations made in the name of another person and by requiring the**

64 Reference can be made to the second sentence of Article 92/1 in the Electoral Code, which states that the donation limits in relation to elections should *"…be indexed by the CEC each five years against the inflation rate*". The same concern applies to the other two articles where amounts in ALL are mentioned in the Draft Law, which is the maximum amount of donations that may be given in cash (Article 9.5) and the ranges of fines to be imposed in cases of violations (Article 21).
65 See *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation* (2nd edition, 2020), para. 212.
66 See also the provision in Article 21.f.
67 For example, in Lithuania and Serbia.
68 For example, EUR 500 in Germany and Greece.
69 See *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation* (2nd edition, 2020), paras. 209, 213 and 214.
70 In the fourth quarter of 2025, the average monthly gross wage per employee in Albania was ALL 86,984; see <Wage Statistics, Q4 - 2025>.
71 See *ODIHR and Venice Commission Joint Opinion* on the draft law on financing political activities of the Republic of Serbia, 20 December 2010, para. 15. See also *ODIHR Final Opinion on the Law of Montenegro on Financing of Political Entities and Election Campaigns*, para. 59.
72 See the *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation*, para. 207.

disclosure of each donor's occupation and employer, in order to enhance transparency and reduce the risk of circumvention.[73] These measures would help mitigate the risk of so-called "straw donor" arrangements, which may otherwise enable prohibited donors to conceal their identity or circumvent applicable donation limits.

54. With respect to donations made by legal persons, it is noted that increasingly, there are discussions regarding the need to ban donations from companies to political parties and election candidates.[74] As underlined in the Joint Guidelines, if such bans exist, they "*should also cover donations to legal structures connected to election campaigns and political parties*" and *"[t]he types of companies that fall under such bans need to be delineated clearly, e.g., whether they cover all companies regardless of size and whether legal personalities made up of one self-employed individual also count*".[75] Depending on the country context, if donations from companies tend to create a distortion in the political process in favour of wealthy interests or to increase corruption, such a ban may be contemplated.

55. In addition, the Draft Law does not appear to include explicit provisions requiring the identification and disclosure of beneficial ownership in relation to donations made by legal persons. This may constrain the ability to verify whether such entities are ultimately controlled by prohibited or foreign interests.[76]

56. In the absence of clearer safeguards, there is a risk that donation limits and prohibitions could be circumvented through indirect or non-transparent financing structures. **It is, therefore, recommended to introduce requirements for the identification and disclosure of the beneficial ownership of legal persons making donations**. This would facilitate effective verification of the permissibility of donations and strengthen safeguards against circumvention. Moreover, the effective application of donation limits could be further supported by considering rules on the aggregation of contributions made by related persons or entities, such as family members or associated companies. This may help ensure that existing limits are applied consistently and reduce the risk of their inadvertent circumvention.

57. Furthermore, the distinction between categories of donors – such as "Albanian citizens" and "natural persons registered in accordance with tax legislation" – is not clearly defined, which may give rise to uncertainty in the application of donation limits. **It is advisable to clarify those issues in the Draft Law**.

58. As already mentioned above (see Sub-section 2 *supra*), while the issue of **the third-party financing of election campaigns should be naturally regulated by the EC, some reasonable and proportionate limitations as to the third-party financing of political parties should be also envisaged by the Draft Law. In particular, consideration could be given to defining clear criteria for distinguishing entities that**

73 In the USA law prohibits a donor to give money to others to donate using their own names and requires parties to report the identity of the donor's employer and the donor's occupation, which are then publicly disclosed. This allows the oversight body (and ultimately the public) to spot suspicious trends or potential irregularities, such as (low-level) employees of the same company all making (maximum) donations on or around the same day.

74 See also UNCAC Conference of the States Parties, Doha, Qatar, 15-19 December 2025, Resolution 11/7, Operative Paragraph 6, which calls upon States Parties "*to strengthen their efforts to identify and manage conflicts of interest and prevent trading in influence, in accordance with the Convention and their domestic law, by considering restricting or prohibiting donations by legal entities, including where the source is anonymous, state, foreign-owned or -controlled, or, as feasible, those legal entities that maintain contractual relationships with public institutions above thresholds as defined by domestic legislation*".

75 See the *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation*, para. 214.

76 See International IDEA, Combatting Corruption in Political Finance - Global Trends, Challenges and Solutions (2025), Sub-Section 2.2.2.

are in fact related, directly or indirectly, to a political party or are otherwise under the control of a political party from others.[77]

59. **In this respect, the legal drafters should consider applying to such entities the same existing ceilings for donations to political parties and regulating reporting requirements to safeguard against potential loopholes through which unlimited funding could otherwise be channelled and financial transactions be veiled.**[78] With respect to the third-party financing of election campaigns specifically, although these issues should be addressed in the EC, one of the solutions could be the establishment of a registry of third-party campaigners for whom expenditure limits would apply.[79] There should also be a possibility to sanction unregistered third-party campaigners for which the oversight authorities and the courts would establish a clear connection with a political entity. **In any case, the applicable legislation, likely the EC, should prescribe effective, proportionate and dissuasive sanctions for third-party campaigning and an effective mechanism for enforcement, including discontinuation of the unlawful campaign activity and removal of campaign materials**.

60. The Draft Law does not establish a comprehensive framework governing the use of loans, in particular with regard to interest rates, repayment terms, guarantees, or the potential forgiveness of loans. Loans constitute a common source of financing for electoral contestants.[80] However, where insufficiently regulated, loans may be used by prohibited or otherwise impermissible donors as a means of circumventing applicable donation limits and prohibitions. In the context of the 2025 parliamentary elections in Albania, ODIHR observers noted that loans were neither capped nor specifically regulated, including in relation to repayment obligations,[81] thereby leaving the system vulnerable to circumvention. Maximum transparency regarding loans and credits should be required. According to the Joint Guidelines on Political Party Regulation, in some states, political parties are required to provide information concerning outstanding loans, the corresponding awarding entity, the amount granted, the interest rate, and the period of repayment.[82] In such countries, specific measures were also taken to ensure that loan repayments comply with the terms under which they were granted.[83]

61. Depending on the specific case and subject to legislation permitting donations and support from commercial entities, loans that are granted at advantageous conditions, including below-market interest rates, or even written off by the creditor should be treated as a form of in-kind or financial donation, and therefore subject to the relevant limits and disclosure requirements. Moreover, a loan might also be repaid not by the party or the individual candidate, but by a third person, in which case the loan also has the character of a donation.[84]

62. In this respect, it is important that political entities repay their loans and debts within a clearly defined timeframe. The Draft Law should explicitly provide that unserviced loans and those left unpaid by the time of the final campaign finance report should be

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77 Article 6 of Recommendation Rec(2003)4 refers to "entities which are related, directly or indirectly, to a political party or are otherwise under the control of a political party".

78 *Ibid.* *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation*, paras. 218-221 and 255-256.

79 For example, in the Czech Republic and in Slovakia, third parties are obliged to register. Another good practice is when the definition of a third party is connected to donations received rather than the activities conducted by an entity (see UK and Ireland, for example).

80 In Europe, approximately 65 per cent of countries permit candidates to take out loans for the purpose of financing election campaigns; see International IDEA Political Finance Database, Question 25.

81 *ODIHR Election Observation Mission Final Report*, Albania, Parliamentary Elections, 11 May 2025, p. 20.

82 ODIHR and the Venice Commission, *Joint Guidelines on Political Party Regulation*, para. 260.

83 *Ibid.*

84 *Ibid.* para. 210.

considered as donations.[85] Such provisions would enhance accountability and ensure adherence to financial integrity standards.

63. Additionally, there is a risk that the value of loans might not be accurately reflected in the financial reports of political entities; hence, **the Draft Law should establish a comprehensive framework governing loans to political parties, including provisions on permissible sources, limits, guarantees, and repayment conditions. It should also mandate the full disclosure of such loans in parties' annual accounts, including detailed terms and conditions, in order to enhance transparency, ensure accurate reporting, and prevent the misclassification of funds that may not be intended for repayment (i.e., marking them as donations)**.[86] **The Draft Law should also empower the CEC to establish detailed procedures for monitoring compliance with the applicable rules on loans**.

64. Finally, Article 5 (1) of the Draft Law prohibits the exertion of pressure on natural or legal persons for the purpose of securing donations for a political party. Furthermore, Article 5(2) provides that "*the promise of privileges or personal benefits deriving from State or public resources, in contravention of the law, to donors of any political party shall be prohibited*". **It is recommended that this prohibition be broadened to also encompass privileges or personal benefits deriving from non-public sources, in order to ensure a more comprehensive safeguard against undue influence.**

RECOMMENDATION C.

1. To explicitly provide that membership fees constitute contributions and are subject to the applicable donation limits.
2. To explicitly prohibit in the Draft Law donations made in the name of another person and by requiring the disclosure of each donor's occupation and employer, in order to enhance transparency and reduce the risk of circumvention.
3. To introduce requirements for the identification and disclosure of the beneficial ownership of legal persons making donations, as well as ensuring that such information is accessible to the Central Election Commission.
4. To provide for a comprehensive regulatory framework governing loans to political parties, including provisions on permissible sources, limits, guarantees, and repayment conditions, while mandating full disclosure of such loans in parties' annual accounts, and consider empowering the Central Election Commission to establish detailed procedures for monitoring compliance with the applicable rules on loans.

4.3. Banned Sources of Funding

65. As mentioned above, Article 7 of the Draft Law prohibits donations from the following sources:

85 See, for example, ODIHR *Final Opinion* on the Law of Montenegro on Financing of Political Entities and Election Campaigns, para. 72.

86 See the *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation*, para. 259. See also *Venice Commission Opinion* on the "draft law on amending and supplementing the Law no. 03/l-174 on the Financing of Political Entities in Kosovo".

- Foreign governmental and non-governmental organizations, legal and private persons;
- Anonymous donors (defined in Article 2 as "any Albanian citizen, natural person, or legal person who gives a sum of money or an in-kind donation without disclosing their full identity or without being recorded in the registers of the political party");
- Legal persons that are strategic investors or that carry out activities in the fields of gambling, casinos, or cryptocurrencies;
- Fully or partly state-owned entities;
- Legal entities holding public contracts (for a period of three years after the end of such contracts);
- Non-governmental organizations, humanitarian and religious organizations and trade unions;
- Legal and private persons with debt to the Albanian state;
- Entities established or linked to political parties;
- Citizens convicted of crimes connected to corruption, money laundering, organized crime, drug trafficking or electoral offences.

66. The inclusion of a detailed list of prohibited donors is a positive development, as it aims to reduce the risk of external or undue influence over political parties and is generally in line with international standards designed to safeguard political independence and the integrity of political finance systems.[87] This list of prohibited sources generally complies with the recommendations by the Joint Guidelines and UNCAC COSP Resolution 11/7.[88]

67. Although Article 7 prohibits donations from certain categories of legal persons, including those operating in sectors such as gambling or cryptocurrencies, the Draft Law does not explicitly regulate emerging financial channels as such cryptocurrency, which may pose additional challenges for transparency, traceability, and effective oversight.

68. It should also be noted that the list provided in Article 7 of the Draft Law departs to some extent from the provisions of the EC (Article 92/1). As a result, certain actors that are prohibited from making donations to political parties appear to be permitted to contribute to electoral campaigns of political parties, which may be inconsistent with the overall intent of the Albanian legal framework. In order to ensure coherence and legal certainty, harmonization of these legislative provisions is strongly recommended.

69. Article 7 (2) provides that political parties may receive donations and assistance from international organizations and foreign institutions "*for the purpose of carrying out their lawful activities or for purposes such as strengthening cooperation with sister organisations, promoting and respecting human rights, fostering gender equality, and democratization*". This provision facilitates co-operation between Albanian political parties and international actors aimed at supporting a vibrant multiparty democracy. **However, it is recommended that the provision be further clarified to explicitly specify whether such support may include financial donations, in order to ensure legal certainty and prevent divergent interpretations in practice**.

70. While the ban on foreign sources of funding falls within the residual margin of appreciation of states, the proportionality of such a measure needs to be assessed in every

87 Articles 7 and 5, Council of Europe's Recommendation Rec(2003)4 on Common Rules against Corruption in the Funding of Political Parties and Electoral Campaigns.

88 See the *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation*, paras 229-230 on donations from foreign sources. See also UNCAC Conference of the States Parties, Doha, Qatar, 15-19 December 2025, Resolution 11/7, Operative Paragraph 6.

specific cases, taking into account the country context and concrete aim pursued.[89] It is noted that many states allow for some exceptions to such an outright prohibition of foreign donations, and it is generally recommended that this should be regulated carefully to avoid an infringement with the right to freedom of association of parties active at the international level.[90] According to the ODIHR-Venice Commission Guidelines on Political Party Regulation, "*[s]uch careful regulation may be particularly important in light of the growing role of European Union Political parties, as set out in the Charter of Fundamental Rights of the European Union, Article 12(2)*".[91] Additionally, this type of regulation might permit some support from a foreign chapter of a political party, in line with the intent of paragraphs 10.4 and 26 of the OSCE Copenhagen Document, which envision external co-operation and support for individuals, groups and organizations promoting human rights and fundamental freedoms. This may be of particular importance for the purposes of party-building and education, as long as it is ensured that these contributions are not used to fund electoral campaigns or to advantage some parties at the expense of others. At the same time, the Guidelines also underline that the implementation of a nuanced approach to foreign funding may be difficult, and legislation should carefully weigh the protection of national interests against the rights of individuals, groups and associations to co-operate and share information, and the principles of party autonomy and political pluralism in general.[92]

4.4. Other Sources of Funding

71. Article 8(1) of the Draft Law states that "*Political parties, whether acting directly or through third parties, shall be prohibited from establishing commercial or non-commercial legal persons engaged in activities for profit*".[93] The Draft Law seems to overlook potential profitable streams that political parties may generate independently, such as proceeds from merchandise sales or party-related materials. A political party may engage in some business activities providing that all income generated by such activities must be used exclusively for the pursuit of the party's objectives, and must not be distributed among the party's founders or members.[94] At the same time, while parties should be able to utilize these funds for their campaigns and operations, they should be carefully regulated to prevent them for being used to circumvent donation limits; all transparency, disclosure and contribution requirements, including donation caps, should apply, as appropriate.[95] **It is recommended to regulate such commercial activities in the Draft Law and specify permissible limits on such income, to prevent circumvention of donation restrictions.**

89 *Ibid.* para. 229 and footnote 221. See also ECtHR, *Parti Nationaliste Basque – Organisation Régionale d'Iparralde v. France*, no. 71251/01, 7 June 2007.
90 See the *Venice Commission Opinion on the Prohibition of Financial Contributions to Political Parties from Foreign Sources*, CDL-AD(2006)014.
91 See the *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation*., para. 231.
92 *Ibid*, para. 231.
93 Article 18.2 states that "Political parties may use their assets and premises for socio-economic activities relating to publishing, printing, services, or leasing, in accordance with the legislation in force".
94 OSCE/ODIHR and Venice Commission, Guidelines on Freedom of Association (2015), paras. 191-194, which provide that "*associations are free to engage in any lawful economic, business or commercial activities in order to support their not-for-profit activities, without any special authorisation being required, while at the same time being subject to any licensing or regulatory requirements generally applicable to the activities concerned. In addition, due to the not-for-profit nature of associations, any profits obtained through such activities should not be distributed among their members or founders, but should instead be used for the pursuit of their objectives*".
95 See the *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation*, para. 225.

5. Transparency of Political Party Financing

72. Strengthening the requirements that increase the transparency of party funding and credibility of financial reporting are important means to avoid undue influence from unknown sources. Any system for financial allocation and reporting should be designed in a way to ensure transparency, consistent with the principles of the UNCAC and the CoE Committee of Ministers' Recommendation Rec(2003)4.[96] The Joint Guidelines on Political Party Regulation also note that transparency in party and campaign finance is important to protect the rights of voters and to prevent corruption.[97] In view of the specific role and functions played by political parties in the proper functioning of democracies, the general public has a legitimate interest in being informed about the activities and funding of political parties, and of having them being monitored and sanctioned in case of irregular expenditure.[98] Voters must also have access to relevant information on financial support given to political parties in order to hold parties accountable.

73. In this context, effective reporting requirements are essential to ensure compliance with political finance legislation. The legal framework should require political parties to maintain accurate, comprehensive, and up-to-date records of all financial transactions, including both monetary and in-kind contributions, loans as well as operational expenditures. Financial reports should clearly distinguish between income and expenditure, be systematically categorized, and include key information such as dates, amounts, and relevant supporting documentation (e.g., receipts, bank transfer records, and loan agreements). At the same time, reporting obligations and transparency measures should not place an undue burden on political parties, in particular new and smaller parties, candidates and oversight bodies and should build, where appropriate, on existing reporting requirements.

74. The use of standardized, searchable reporting templates developed by the competent oversight body constitutes good practice, as it facilitates compliance and enhances the consistency and comparability of reported data. In addition, requiring financial transactions to be conducted through a designated bank account, under the responsibility of an appointed financial agent, may further strengthen transparency and support effective oversight.

75. The Draft Law establishes a relatively detailed framework for financial reporting. Article 12 provides for the designation of a person responsible for financial matters within each political party, while Article 9 sets out rules governing the use of bank accounts and the conduct of financial transactions. Moreover, political parties are required to maintain a single bank account through which all financial transactions are to be carried out, and all income and expenditure, with the exception of membership fees, must be processed through bank transactions (Article 12 (3-4)).

76. Article 13 requires political parties to submit an annual financial report to the CEC by 31 March of each year, including detailed information on sources of income, expenditures, and entities directly or indirectly linked to, or controlled by, the party. In election years, this reporting obligation is combined with the submission of the campaign finance report (Article 13(4) of the Draft Law). This approach is generally consistent with the Joint

96 See Article 7.3 of the UN Convention Against Corruption. See also, *Recommendation Rec(2003)4* of the Council of Europe Committee of Ministers to member states on Common Rules against Corruption in the Funding of Political Parties and Electoral Campaigns, Appendix, Article 3.
97 See the *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation*, para. 247.
98 See European Court of Human Rights, *Cumhuriyet Halk Partisi v. Turkey*, no. 19920/13, 26 April 2016.

Guidelines and with UNCAC CoSP Resolution 11/7.[99] At the same time, **given the conceptual and regulatory distinction between ongoing party finance and campaign finance reflected in the legal framework, consideration should be given to ensuring that the deadline for submission of annual financial reports is not deferred in election years.**

77. Moreover, **Article 13 (2) of the Draft Law should be amended to specify that donations to political parties are to be reported on an itemised basis. The reporting requirements should also include the declarations submitted by donors in accordance with Article 10 (2), and, in the case of in-kind donations (goods or services) – the relevant declaration of contribution or invoice provided by the donor pursuant to Article 9 (2)**.[100]

78. The Draft Law also contains detailed provisions on the publication of financial information. Pursuant to Article 13 (5), the annual financial report, the audit report prepared by licensed accounting experts, the campaign finance report, and the report issued by the CEC are to be published on the CEC's official website no later than 30 days following their submission by the political party. As mentioned in the Joint Guidelines on Political Party Regulation, "in an effort to support transparency and provide civil society and other interested stakeholders with the possibility of reviewing parties' campaign finances, it is good practice for such financial reports to be made available on publicly available resources in a coherent, comprehensive and timely manner over an extended period of time"[101].

79. In addition, Article 17 (6) provides that audit reports shall be published by the CEC within 30 days of their submission or, as applicable, upon completion of the verification procedure. Furthermore, Article 18 requires political parties represented in the Assembly to publish information on their income, expenditures, and donors on their own websites, and to retain such information for a minimum period of three years.

80. Article 13(5) appears to require the publication of several documents—including the annual financial report, the audit report, and the CEC report—within 30 days "from their submission by the political party". However, this formulation is unclear, as certain documents, in particular the audit report and the CEC report, are not submitted by the political party. At the same time, Article 17(6) establishes a separate timeline for the publication of audit reports, linking their publication to the completion of the verification procedure. This may result in delays in public access to audit findings. In this context, it **would be advisable to clarify the relationship between Articles 13 and 17, including by distinguishing more clearly between the publication of financial reports submitted by political parties and the publication of audit reports**.

81. Moreover, the Draft Law does not set a clear time limit for the duration of the verification process. As a result, the publication of audit reports may be subject to significant delay, which could undermine timely public access to information on political party finances. **In order to ensure transparency and prompt public scrutiny, the Draft Law should provide that financial reports submitted by political parties and auditors are published without undue delay, including in cases where the CEC decides to initiate**

99 UNCAC Conference of the States Parties, Doha, Qatar, 15-19 December 2025, Resolution 11/7, Operative Paragraph 3.

100 Through the declaration according to Article 10.2, the donor certifies that the donor is not subject to any of the restrictions (list of prohibited donors) in Article 7, while the declaration/invoice to be issued in accordance with Article 9.2. is used to declare the value of donations made in the form of goods or services.

101 See the *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation*, para. 259.

a verification procedure, while also remaining publicly available over an extended period (see also Article 17 (5) of the Draft Law).

82. The Draft Law also provides for both internal and external control mechanisms. Political parties are required to establish internal financial control structures, and their annual financial reports are subject to external audit by licensed accounting experts appointed and remunerated by the CEC, rather than by the political parties themselves, as foreseen under Article 23/3(2) of the LPP. While this approach may enhance the independence of external audits, certain aspects of the reporting framework could benefit from further clarification. In particular, although Article 13 requires the submission of detailed financial information, it does not explicitly require the submission of supporting documentation as part of the reporting process. While such documentation may be requested in the context of audits or verification procedures, the absence of an explicit requirement in primary legislation may limit the ability of the oversight body to systematically verify the accuracy and completeness of reported data. In addition, several key elements of the reporting framework, including reporting formats and procedures, are left to be defined through secondary legislation adopted by the CEC. **It is, therefore, advisable to explicitly require in the Draft Law the submission of supporting documentation as part of financial reporting obligations.** Furthermore, it is advisable that the CEC develop and issue guidance materials and manuals to support political parties in managing their finances, as a valuable capacity-building measure to promote compliance and strengthen implementation (see also para 100 *infra*).

83. As mentioned above (see paras 60-63 *supra*), while loans are recognized as a form of political party income under the definition set out in Article 2 (9) of the Draft Law,[102] the Draft Law does not contain specific provisions governing how loans are to be recorded and reported by political parties. As recommended above, **the Draft Law should include clear requirements for the recording and reporting of loans, including information on loan terms and conditions, repayment status, and any instances of loan write-offs, restructuring, or other material modifications.**[103] **In this respect, Article 13 should also be amended to explicitly require that loans are reported on an itemized basis.**[104]

84. In addition, while the Draft Law provides for the reporting and valuation of in-kind contributions, it does not establish a clear and consistent methodology for their valuation. This may create a risk that non-monetary contributions, including services or other forms of indirect support, are undervalued or insufficiently reported, particularly in the context of increasingly complex forms of political financing. **The Draft Law should be supplemented with clear and consistent rules for the valuation of in-kind contributions, including services and other non-monetary support**. In this regard, existing practices developed by the CEC in relation to electoral subjects during election campaigns could serve as a useful reference, or such guidance could be extended to cover in-kind contributions received by political parties in the course of their regular activities.

85. Article 24 of the Draft Law introduces the use of an electronic platform for financial reporting and provide for the real-time disclosure of income transactions. In particular, Article 24 (2) provides that "*once the real-time disclosure of income is carried out through the electronic platform, the political party's obligation to report to the CEC and to publish such information on its website shall cease to apply"*. The introduction of

102 See also the provision in Article 6.ç in the Draft Law.
103 See the *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation*, para. 210.
104 *Ibid*, para. 260.

electronic tools to enhance the timely availability of financial information and reduce the administrative burden on political parties is welcome and in line with good practice in the field of political finance oversight. This represents a potentially significant step towards enhancing the transparency, timeliness, and accessibility of political finance data[105].

86. However, the effectiveness of such a system will depend on its practical implementation, including the functionality and reliability of the platform, the availability of clear and consistent reporting standards, and the capacity of the CEC to process, monitor, and verify large volumes of data.

87. The legal implications of this provision are not entirely clear within the current legislative framework. In particular, it appears to envisage the automatic displacement of existing reporting and publication obligations once the electronic system becomes operational, without specifying the procedural or legislative steps required to affect such a transition. It is presumed that, once the relevant technical and operational conditions are met, the Parliament of Albania would introduce the necessary amendments to the Draft Law, in particular with respect to Articles 13 and 18, in order to ensure legal certainty and coherence of the overall regulatory framework.[106]

88. It may be expected that the implementation of these measures will be gradual and contingent upon the development of appropriate technical infrastructure and resources. It is further noted that several key aspects of the system are to be defined through secondary legislation, which may raise concerns in terms of legal certainty and consistency of application. **It is advisable to set out the core elements of the electronic reporting framework in primary legislation, while leaving technical and operational details to be specified through secondary legislation**. Moreover, **it is recommended that a provision be added clarifying that such technological solutions should also be used to enhance the public accessibility and availability of reports submitted by political parties**.[107]

RECOMMENDATION D.

1. To explicitly require in the Draft Law the submission of supporting documentation as part of financial reporting obligations.
2. To provide in the Draft Law that financial reports submitted by political parties and auditors are published without undue delay, including in cases where the Central Election Commission decides to initiate a verification procedure, while also remaining publicly available over an extended period.
3. To establish in the Draft Law clear and consistent rules for the valuation of in-kind contributions, including services and other non-monetary support.
4. To set out the core elements of the electronic reporting framework in the Draft Law or other primary legislation while leaving technical and operational details to be specified through secondary legislation.

105 To maximise the impact of the transparency measures already envisaged, it could be beneficial to ensure that the electronic reporting and disclosure system provides data in machine-readable, searchable, and user-friendly formats. This would facilitate effective public scrutiny and support the work of oversight bodies, media, and civil society.

106 Article 24.3. gives the CEC the mandate to adopt secondary legislation to for the implementation of the provisions in Article 24 – this would however not impact the requirements for political parties that are explicitly contained in other Articles of the draft law.

107 See the *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation*, para. 259.

6. SUPERVISORY AUTHORITY

89. There are different ways of enforcing political party and campaign finance provisions. As stated in Article 14 of CoE Committee of Ministers' Recommendation Rec2003(4), "*States should provide for independent monitoring in respect of the funding of political parties and electoral campaigns. The independent monitoring should include supervision over the accounts of political parties and the expenses involved in election campaigns as well as their presentation and publication"*. As also provided by ODIHR-Venice Commission Guidelines on Political Party Regulation, "*monitoring can be undertaken by a variety of different bodies and may include an internal independent auditing of party accounts by certified experts or a single public supervision body with a clear mandate, appropriate authority and adequate resources"*.[108]

90. According to the Draft Law, the CEC serves as the oversight body responsible for political party finance (Article 19 of the Draft Law). The Draft Law largely maintains the existing role and powers of the CEC as set out in Article 15 (2) of the LPP, including its responsibilities for monitoring, auditing, sanctioning, and regulating political party financing. While most competences remain unchanged, the Draft Law introduces a more explicit institutional dimension by providing for the establishment of a dedicated structure within the CEC tasked with political finance oversight. At the same time, it remains unclear whether this structure is intended to operate as a distinct unit or as part of the existing framework responsible for campaign finance oversight, which may raise questions regarding institutional co-ordination, potential overlap of functions, and the efficient allocation of resources[109]. **It is advisable to clarify this issue in the Draft Law**.

91. Similarly, the Draft Law largely maintains the existing framework for the financial oversight of political party financing, including the use of licensed accounting experts selected by lot to audit annual financial reports, as well as the CEC's powers to verify financial information, request data from political parties and third parties, and impose sanctions. At the same time, it provides a more detailed articulation of certain aspects of the audit process, including applicable timelines and co-operation obligations, in particular with regard to co-ordination with other competent authorities, such as the prosecution, the tax administration, and the General Directorate for the Prevention of Money Laundering.

92. While these elements contribute to strengthening the oversight framework, the Draft Law does not clearly delineate the scope of the CEC's enforcement and investigative powers, including its ability to verify the accuracy and completeness of financial reports beyond formal compliance. In particular, although the CEC is empowered to request information from "third parties", the Draft Law does not define this term, which may create uncertainty as to the range of entities and service providers from which information may be sought. **It is thus recommended to further clarify the scope of the CEC's investigative powers, including by specifying the categories of "third parties" subject to information requests by CEC, in order to enhance legal certainty and ensure the effective exercise of these powers**.

93. A number of operational aspects of the audit process, as well as other key elements of the framework – including the functioning of the electronic reporting system and the

108 *Ibid*, para. 276.

109 The ODIHR Election Observation Mission Final Report on the 2025 Albanian parliamentary elections noted concerns regarding the CEC's and the appointed auditors' capacity to detect illegal funding or undeclared expenses, including in the online environment, and recommended that the CEC be granted additional financial and human resources, along with an enhanced mandate, to enable meaningful audits of campaign finance reports, including the power to investigate donation sources.

allocation criteria for targeted public funding – are to be regulated through secondary legislation adopted by the CEC. While reliance on secondary legislation may provide a degree of flexibility and allow for technical adjustments over time, it may also raise concerns with regard to legal certainty, consistency of implementation, as well as transparency and accountability. In the absence of sufficiently detailed provisions in primary legislation, this approach may create uncertainty for political parties and other stakeholders, while placing a considerable regulatory and operational burden on the CEC.

94. Moreover, Article 25 (2) of the Draft Law requires the CEC to adopt secondary legislation for the implementation of key provisions within 60 days of the law's entry into force**. It is recommended that this mandate be extended to also cover provisions relating to restrictions on the use of assets (Article 8), the publication of financial data by political parties (Article 18), and the imposition of fines for violations of political party finance rules (Article 21), in order to ensure a comprehensive and coherent regulatory framework.**

95. In addition, consideration should be given to whether the 60-day timeframe is sufficient for the CEC to develop and adopt the required secondary legislation, particularly in relation to more complex areas. This may include, for example, the financial reporting system (Article 13), especially where this is to be implemented through an electronic platform, as envisaged under Article 24. Furthermore, Article 24 (3) appears to envisage the adoption of separate secondary legislation governing the use of information technology, yet no specific timeline is provided for this process. **Clarifying the applicable deadlines would enhance legal certainty and support the timely and effective implementation of the framework.**

96. The Draft Law does not appear to sufficiently address issues related to the institutional capacity of the CEC, including the availability of adequate financial, technical, and human resources. This is a fundamental element, also underlined in UNCAC CoSP Resolution 11/7.[110] **It is, therefore, important to ensure that the CEC is provided with adequate material, financial and human resources to effectively discharge its expanded responsibilities under the Draft Law.**

97. Moreover, while the CEC is mandated to establish rules concerning the enforcement of provisions on impermissible donations in co-operation with competent institutions (Article 7 (3)), and is to be granted access to the databases of other institutions for the purposes of implementing the electronic reporting system (Article 24 (4)), the Draft Law does not explicitly provide for structured mechanisms of co-operation and information-sharing between the CEC and other relevant authorities, such as the tax administration, financial intelligence units, and/or law enforcement bodies. Apart from provisions allowing for the transmission of information to the prosecution, the central tax administration, or the General Directorate for the Prevention of Money Laundering in cases of suspected irregularities, the framework for inter-institutional co-operation remains limited. **It is advisable, therefore, to explicitly establish such mechanisms in the Draft Law, including, where appropriate, provisions enabling interoperability between institutional databases, while ensuring that the CEC plays a central co-ordinating role and that detailed technical modalities are defined through secondary legislation.** Furthermore, the list of powers conferred on the CEC could be clarified **as to the establishment of effective mechanisms for receiving information**

110 UNCAC COSP Resolution 11/7, Operative Paragraph 2, which calls upon States Parties to "*ensure the existence of an oversight body or bodies, in accordance with the fundamental principles of their legal systems, with the necessary independence, material resources and specialized staff to effectively monitor and supervise the funding of political parties, candidatures for elected public office and electoral campaigns, where applicable, and issue guidelines*."

on potential violations, including through dedicated complaints procedures, as well as their integration into the broader framework for information-sharing and enforcement.[111]

98. As mentioned above, Article 24 (4) of the Draft Law provides that CEC "*shall be granted access to the databases of other institutions for information and data relating to the implementation of this law*". However, it should be assessed whether this provision is sufficient to ensure effective and timely access by the CEC to such data, in particular in light of other applicable legislation governing data protection, privacy, and access to public records. **Further clarification may be required to ensure that the CEC can exercise this power in practice without undue legal or technical constraints, while complying with applicable personal data protection standards.**

99. Given the central importance of the publication of political finance data, **it is recommended that the CEC's responsibility to maintain and ensure public access to such information – currently referenced in Articles 13 (5) and 17 (6), as well as reflected as a general principle in Article 3 (2) and (4) – be explicitly included among the powers listed in Article 19**. This would clearly establish the CEC's obligation to ensure the timely, accessible, and user-friendly publication of political finance data.

100. Article 19 (2) (dh) provides that the CEC shall "*develop awareness-raising programmes and organize trainings*" for political parties concerning their financing. The corresponding provision in Article 15/2 (2) (dh) of the LPP, which will be repealed upon adoption of the Draft Law, also refers to the development of "guidelines". Such guidance materials can play an important role in promoting compliance with political finance regulations. **It is therefore recommended that the Draft Law explicitly include the CEC's competence to develop and publish guidelines in this area.** Furthermore, good practice suggests encouraging political parties to develop internal codes of conduct aimed at strengthening integrity standards, including in the management of party finances.

101. It is also noted that the Draft Law does not explicitly define the role of the CEC in monitoring or verifying the use of targeted public funding provided under Article 11 (6), which may limit effective oversight of whether such funds are used in accordance with their intended purpose. **It is thus recommended to clarify the CEC's mandate in this regard, in order to strengthen accountability and ensure the effective use of targeted funding.**

RECOMMENDATION E.

1. To further clarify in the Draft Law the scope of the Central Election Commission's investigative powers, including by specifying the categories of "third parties" subject to information requests by CEC, in order to enhance legal certainty and ensure the effective exercise of these powers.
2. To envisage in the Draft Law the mechanisms for inter-institutional cooperation, including, where appropriate, provisions enabling interoperability between institutional databases, while ensuring that the

111 The UNCAC COSP Resolution 11/7, Operative Paragraph 14, which calls upon countries to establish "…*confidential, safe and secure reporting systems that are easily accessible for a variety of stakeholders…*", through which potential political finance violations can be reported.

Central Election Commission plays a central coordinating role and that detailed technical modalities are defined through secondary legislation.

3. To explicitly include the Central Election Commission's responsibility to maintain and ensure public access to political party finance data among the powers listed in Article 19 of the Draft Law.

7. SANCTIONS

102. While sanctions constitute a primary tool for oversight bodies to enforce political finance regulations, it is equally important that such bodies provide guidance to political parties in order to facilitate compliance with their legal obligations. In line with international good practice, sanctioning regimes should encompass a range of measures that are effective, proportionate, and dissuasive.[112] These may include, *inter alia*, administrative warnings (including so-called "naming and shaming"), fines, forfeiture of funds, suspension or withdrawal of public funding, compliance notices, deregistration, and, where appropriate, criminal sanctions.

103. At the same time, in order to ensure effective legal protection in line with OSCE commitments and international standards, the framework should guarantee access to effective remedies against administrative decisions, thereby safeguarding respect for fundamental rights and ensuring legal certainty. This includes, in particular, the availability of judicial review of relevant regulations and decisions.

104. It is to be noted that the Draft Law introduces a more detailed and structured system of administrative sanctions compared to the existing framework under the LPP. In particular, it provides for a broader and more graduated range of sanctions, with differentiated fines reflecting the nature and gravity of the violation. This represents a positive development, as it enhances proportionality and enables a more tailored and effective enforcement response.

105. According to the Draft Law, the main form of sanctions for non-compliance with political party finance regulations consists of fines, with applicable ranges specified for different categories of violations under Article 21 of the Draft Law.

106. The Joint Guidelines state that "*it is preferable for fines to be designed in a manner that takes inflation into account, for example through indexation mechanisms such as linkage to a minimum salary, rather than fixed absolute amounts. Where fixed amounts are provided in legislation, they should be subject to periodic review to ensure that they remain effective, proportionate and dissuasive*".[113] **In line with this approach, it is recommended that the Draft Law include provisions for the regular updating of the applicable monetary amounts.**

107. Articles 21 (b), (c), and ((ç) establish a range of fines for donations exceeding the limits set out in Article 10. Similarly, Article 21 (f) provides for fines in cases where donations exceeding the applicable threshold are not made through the banking system. However, it is not clear from the Draft Law whether the fines suggested in Article 21 (f) are intended to be imposed on the donor or on the political party receiving the donation. **The Draft Law should clarify this essential point**. By way of comparison, Article 21 (gj) explicitly

112 See the *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation*, paras. 272-274.
113 See the *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation*, para. 274.

provides that, where an in-kind donation is made without a signed declaration of its value, the fine is imposed on the receiving political party.

108. The fact that the range of fines for excessive donations under Articles 21 (b), (c), and (d) is not linked to the amount by which the donation exceeds the legal limits means that sanctions may be disproportionately low compared to the value of the violation. This may undermine the dissuasive effect of the sanctioning regime. **It is therefore recommended that fines for excessive donations be calibrated as a multiple of the amount exceeding the applicable limits.**[114] By comparison, Articles 21 (f) and 21 (gj) do link the amount of the fine to the value of the unlawful donation, in cases of donations not made through the banking system and in-kind donations made without a declaration of value, respectively. In addition, Article 9 (6) provides that funds received by political parties in contravention of the law and not accepted by them shall be transferred to the State Budget. **It should be clarified whether this provision also applies to donations exceeding the legal limits, thereby resulting in forfeiture of such amounts.**[115]

109. Article 21 (dh), in conjunction with Article 13, provides for fines in cases where a political party fails to submit its annual financial statement on time or submits it in a non-standardized format. However, the Draft Law does not appear to provide for sanctions in cases where a financial report is submitted but found to be incomplete or inaccurate.

110. Article 21 (ë) establishes the most severe sanctions, including fines ranging from ALL 2,000,000 to ALL 5,000,000 (approximately EUR 21,000 – EUR 52,000) and suspension of public funding for up to five years. However, the two categories of violations to which these sanctions apply are formulated in broad and somewhat ambiguous terms. The first refers to "*refusal to ensure transparency of the sources of financing of a political party*", which is open to wide interpretation. The second concerns refusal "*to permit the exercise of control by the licensed accounting expert or by the CEC*", which appears to partially overlap with the conduct addressed under Article 21 (d), for which significantly lower sanctions are foreseen. **In order to ensure legal certainty and prevent inconsistent or arbitrary application, further clarification of these provisions is strongly recommended**.

111. Article 21 (g) provides for sanctions for breaches of provisions on the financing of political parties by the person responsible for party finances (presumably as defined in Article 12 of the Draft Law). **It should be clarified whether such fines are intended to be imposed on the political party itself or on the designated individual responsible for financial matters.**

112. The Draft Law also introduces additional enforcement mechanisms, including financial and other consequences linked to non-compliance, such as restrictions on participation in elections in cases of outstanding financial obligations, as well as the suspension of public funding under certain conditions. In particular, Article 16 (1)-(2) provides that, where a political party has outstanding financial obligations towards the Albanian State,[116] such amounts shall be deducted from the public funding allocated to the party, and that, where the obligation exceeds the level of such funding, "*the political party may not participate in elections without first paying the relevant obligation*". It is noted that the sanction consisting in the ineligibility to present candidates/run for elections for a set period of time should only apply in cases where a political party or a candidate severely

114 See the statement in the *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation*, para. 273 *"…sanctions must bear a relationship to the violation…"*.

115 *Ibid.* Joint Guidelines, para. 274.

116 The examples given in Article 16.1 seem to indicate that these provisions are not applicable to private financial obligations. It would be valuable to clarify this.

violated substantial rules of electoral campaigns or rules on electoral campaign finance.[117] Absent clearly defined criteria and procedures, the application of such sanction risks being arbitrary or open to misuse. The Draft Law should therefore establish precise **criteria and procedures for determining the application of this restriction, in order to ensure legal certainty and avoid ambiguity regarding a party's right to participate in elections**. This is particularly important in situations where the existence or amount of a financial obligation is subject to ongoing legal proceedings at the time of an election.

113. With regard to restrictions on electoral participation, the Draft Law further provides that political parties may be barred from participating in elections where they fail to submit financial reports for two consecutive years (Article 21 (3)). While such a sanction may be considered compatible with international standards in cases of serious or persistent non-compliance,[118] it should be applied exceptionally and in accordance with clearly defined procedures, given the fundamental role of political parties in democratic processes. In this context, it should be noted that, while the Draft Law specifies that fines are imposed by the CEC (Article 21 (4)) and may be appealed before a court (Article 23), it does not clearly identify the authority competent to decide on exclusion from electoral participation, nor does it set out the applicable appeal procedures. **It should also be clarified whether and under what conditions such exclusion may be lifted by the CEC, including in cases where the party subsequently submits the required financial reports.**

114. Article 22 sets out the criteria to be applied by the CEC in determining the level of fines within the ranges established under Article 21, such as the degree of risk, duration, intent, and recurrence of violations – which contribute to greater consistency, transparency, and predictability in sanctioning practices.

115. However, these criteria do not appear to include the potential impact of sanctions on the political party concerned. The inclusion of such a factor would enable the CEC to take into account the broader implications of fines on the functioning of the multiparty system in Albania. This would also be consistent with the principle of proportionality, as reflected in Article 3 (4) of the Draft Law. **It is recommended to add this to the Draft Law**.

116. The Draft Law appears to lack explicit sanctioning provisions for a number of obligations imposed on political parties. In particular, no sanctions are foreseen for potential violations of the following provisions: use of party resources for purposes other than those permitted by law, including personal benefit (Article 4); receipt of financial resources in a manner not permitted by law (Article 6); establishment of commercial or non-commercial legal persons engaged in profit-making activities (Article 8 (1)); maintaining bank accounts in multiple banks or conducting transactions outside designated party accounts (Article 9 (3)) – noting that a fine is foreseen only for cash donations outside the banking system above the applicable threshold (Article 21 (f)); failure to deposit membership fees received in cash into the party bank account within five days (Article 9 (4)); failure to notify the CEC and transfer to the State Budget funds received "without its intention to accept them, in contravention of the provisions of this law" (Article 9 (6)); receipt of a donation without a signed donor declaration confirming eligibility (Article 10 (2)), noting that it is unclear whether Article 21 (2), which provides that funds of unknown or unverified origin accrue to the CEC, would apply in such cases,

117 See the *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation*, paras. 272-274.
118 See the *ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation*, para. 274.

and what consequences would follow in the event of non-compliance; failure to designate a person responsible for party finances (Article 12), unless covered by Article 21 (g); failure to provide for internal financial control mechanisms or to ensure information rights for party members regarding party finances (Article 15).

117. **Sanctions should be foreseen for all substantive obligations established in the Draft Law. This may be achieved either by extending the list of sanctions under Article 21 or, alternatively, by introducing a general sanctioning clause covering all violations not expressly subject to specific penalties**.

118. It is particularly noteworthy that the Draft Law does not foresee any sanction for the receipt of donations from prohibited sources listed under Article 7. While Article 10 (2) requires donors to sign a declaration confirming their eligibility, it is unclear whether this relieves political parties of the obligation to verify the legality of the donation's origin. Furthermore, Article 9 (6) provides that contributions received by a political party "*without its intention to accept them, in contravention of the provisions of this law*" shall be transferred to the State Budget. **It should be clarified whether this provision also applies to donations originating from prohibited sources. If so, further clarification is needed regarding the measures to be taken by political parties in cases where in-kind donations are received from prohibited sources.**

119. While the Draft Law provides for a more detailed system of sanctions, certain aspects of its implementation may benefit from further clarification. In particular, although fines are imposed by the CEC and accrue to the State Budget, Article 16 provides that unpaid obligations, including fines, shall be deducted from the public funds allocated to political parties under the Public Fund. In this respect, it is not entirely clear which institution is responsible for executing such deductions in practice. Similarly, Article 16 (2) stipulates that political parties may not participate in elections where their outstanding debts exceed the level of public funding they receive; however, the Draft Law does not specify the competent authority responsible for enforcing this restriction, including in the context of candidate registration and/or party registration procedures.

120. In addition, certain provisions concerning the treatment of impermissible or unidentified funds may give rise to inconsistencies. While Article 9 (6) requires political parties to transfer funds received in contravention of the law to the State Budget, Article 21 (2) provides that non-public funds for which the identity of the donor is unknown shall accrue to the CEC. The relationship between these provisions is not entirely clear and may benefit from further harmonization to ensure consistent interpretation and application. **Consideration could therefore be given to clarifying institutional responsibilities for the enforcement of financial sanctions and ensuring coherence between provisions governing the treatment of impermissible or unidentified funds**.

RECOMMENDATION F.

1. To envisage in the Draft Law that the fines for excessive donations be calibrated as a multiple of the amount exceeding the applicable limits.
2. To clarify and more precisely define the violations set out in Article 21(ë), and to delineate them clearly from those in Article 21(d), in order to ensure legal certainty, proportionality of sanctions, and to prevent inconsistent or arbitrary application.

3. To clearly define the criteria and procedures governing restrictions on electoral participation due to outstanding financial obligations, including safeguards for cases under pending legal dispute, in order to ensure legal certainty and protect the right to participate in elections.
4. To extend the list of existing sanctions under the Draft Law to cover all substantive obligations established in the Draft Law, either by supplementing the list of sanctions under Article 21 or, alternatively, by introducing a general sanctioning clause covering all violations not expressly subject to specific penalties.
5. To introduce clear sanctions for the receipt of donations from prohibited sources and to clarify political parties' obligations to verify the legality of donations, including procedures for handling and transferring unlawful or in-kind contributions.

8. PROCESS OF AMENDING THE LAW

121. The importance of inclusive and open lawmaking process should be highlighted. In paragraph 5.8 of the 1990 OSCE Copenhagen Document, OSCE participating States have committed to ensure that legislation will be adopted at the end of a public procedure.[119] Moreover, key commitments specify that *"[l]egislation will be formulated and adopted as the result of an open process reflecting the will of the people, either directly or through their elected representatives*"[120]. The ODIHR Guidelines on Democratic Lawmaking for Better Laws (2024) underline the importance of evidence-based, open, transparent, participatory and inclusive lawmaking process, offering meaningful opportunities to all interested stakeholders to provide input at all its stages[121].

122. Effective consultations in the drafting of laws, as outlined in the relevant OSCE commitments, need to be inclusive, involving both the general public and stakeholders with a particular interest in the subject matter of the draft legislation, in this case all political parties as well as civil society organizations. Sufficient time should also be provided to ensure that the consultation process is meaningful, allowing adequate time to stakeholders to prepare and submit recommendations on draft legislation throughout the legislative process.[122]

123. In light of the above, **the public authorities are encouraged to ensure that adoption of the Law, as well as any amendments to the existing political party and electoral legal framework in general, are preceded by a proper impact assessment and subjected to inclusive, extensive, effective and meaningful consultations throughout the legislative process, including with representatives of various political parties, academia, civil society organizations, which should enable equal opportunities for women and men to participate**. According to the principles stated above, such consultations should take place in a timely manner, at all stages of the lawmaking process, including before Parliament. As a principle, accelerated legislative procedure

119 See *1990 OSCE Copenhagen Document*, para. 5.8.
120 See 1991 *OSCE Moscow Document*, para. 18.1.
121 See *ODIHR Guidelines on Democratic Lawmaking for Better Laws* (January 2024), in particular Principles 5, 6, 7 and 12. See also Venice Commission, *Updated Rule of Law Checklist*, CDL-AD(2025)002, 16 December 2025, Part II.A.6.
122 See *ODIHR Guidelines on Democratic Lawmaking for Better Laws* (January 2024), paras. 169-170. See also ODIHR, *Assessment of the Legislative Process in Georgia* (30 January 2015), paras. 33-34. See also ODIHR, *Guidelines on the Protection of Human Rights Defenders (2014)*, Section II, Sub-Section G on the Right to Participate in Public Affairs.

should not be used to pass such types of legislation. As an important element of good lawmaking, a consistent monitoring and evaluation system on the implementation of legislation should also be put in place that would efficiently evaluate the operation and effectiveness of the draft laws, once adopted.[123]

[END OF TEXT]

123 See *ODIHR Guidelines on Democratic Lawmaking for Better Laws* (January 2024), para. 23. See e.g., OECD, International Practices on Ex Post Evaluation (2010).