

The Financing of EMBs

Common EMB Financing Issues

312. The funding of elections may appear to be costly, and has to compete with vital national services such as defence, health and education, which may yield greater immediate political returns. Inadequate or untimely funding of electoral processes may occur because governments are not able to appropriate sufficient funds or to ensure the timely disbursement of approved funds.

313. EMB funding needs are dependent on the electoral cycle and will vary hugely between election and non-election years. Other significant factors include the model of electoral management used, the electoral procedures in place, and the frequency of elections. EMBs have been regularly accused of procuring expensive goods and services, such as high-technology equipment, which is not put to effective use. Some EMBs have also been accused of printing more ballot materials and recruiting more election staff than necessary. The independence of some models of EMBs from the executive branch of government may lead to perceptions that they are not subject to the controls on spending applied to government agencies.

314. Many EMBs, such as those in Afghanistan, Cambodia, Haiti, Indonesia, Iraq and Liberia, have relied on international donors for substantial amounts of budgetary support, as well as technical assistance. Apart from the sustainability issues raised (see chapter 10 of this Handbook), the conflicting conditions which different donor agencies impose on the EMBs, added to the requirements from their own governments, may make it difficult for EMBs to account properly and within a reasonable time for the totality of the funding they receive.

315. EMBs have had to deal with the question whether and how to fund new technologies, particularly for voter registration, voting and vote-counting, such as electronic voting. The increased emphasis on access issues – such as the provision of mobile polling stations, facilities for absentee voting in-country or in other countries, facilities for voters with disabilities, and electoral information that is effective in increasingly multilingual societies – has also had financing implications. In many established democracies, government policies of slimming down public sectors have led to less certainty of funding for EMBs, particularly for staff costs.

What Electoral Costs Need to be Financed?

316. Electoral finance refers to the electoral budget or the costs that a country incurs as a result of the various activities undertaken by EMBs and other agencies to organize and conduct an electoral process. Some electoral costs may be easily identifiable EMB costs; others may be difficult to quantify because they are contained within the general services budgets of other government agencies. Electoral cost comparisons between countries have proved difficult, largely because different items can be identified and quantified as electoral costs in different electoral environments using different models of electoral management. The United Nations Development Programme (UNDP)- and IFES-sponsored Cost of Registration and Elections (CORE) Project divides electoral costs into three categories:

- a. *core costs* (or direct costs) – those costs that are routinely associated with implementing an electoral process in a stable electoral environment;
- b. *diffuse costs* (or indirect costs) – those costs for electoral-related services that cannot be disentangled from the general budgets of agencies that assist with the implementation of an electoral process; and
- c. *integrity costs* – those costs, over and above the core costs, that are necessary to provide safety, integrity, political neutrality, and a level playing field for an electoral process.

317. Integrity costs are often largely sponsored outside EMBs, mainly by the donor community: the sophisticated internationally funded electoral register data processing and production activities in the transitional elections of Afghanistan and Iraq are examples. Such additional costs may not be included in analyses of EMB budgets, although they relate to functions within EMB mandates. According to the CORE Project, core costs are proportionally highest in stable democracies, as progress towards democratic consolidation tends to lead to a decrease in integrity costs and an increase in core costs. The increase in the core costs results from demands for increased participation to be fostered through more widely accessible electoral operations, and from the use of high technology to expedite voter registration, voting and the transmission of election results.

318. The CORE Project further shows that diffuse costs tend to be higher in stable democracies, especially in Western Europe, where electoral processes are more likely to be implemented by governmental EMBs under the Governmental or Mixed Model, and several government agencies may be used to implement electoral services. Where, for example, a national civil registration agency is responsible for providing electoral register data, as in Hungary and Norway, it incurs costs related to electoral events which may be difficult to separate from overall civil registration costs. Even where governments have a policy of ‘cost recovery’ for governmental agency electoral services, the true cost may not be charged.

319. EMBs under the Independent Model are more likely to have sole responsibility for electoral functions, and thus have a higher level of readily identifiable direct costs, and a lower level of diffuse costs than EMBs under the Governmental Model or the Mixed Model. A higher level of readily identifiable costs may give a false impression of higher actual costs.

Table 13: Attributes and Examples of Electoral Core, Diffuse and Integrity Costs

	Core Costs	Diffuse Costs	Integrity Costs
Attributes	<p>Covers the basic costs of electoral tasks</p> <p>Usually identifiable in the budget of the EMB or other authorities responsible for electoral tasks</p> <p>May be difficult to quantify and amalgamate if split between several agencies</p>	<p>Costs of support services for electoral events provided by other agencies</p> <p>May not be possible to separate election-related costs</p> <p>May be difficult to quantify as often contained within the general budgets of several agencies</p>	<p>Additional costs to ensure the integrity of fragile electoral processes</p> <p>Usually identifiable in the budget of EMBs or other authorities responsible for electoral tasks</p> <p>May be difficult to quantify if split between several agencies</p> <p>Particularly relevant in post-conflict or emerging democracies</p>
Examples	<p>Basic costs of voter registration, voter information, printing of ballot papers, voting, counting, and transmission of results</p>	<p>Security services provided by police</p> <p>Voter data provided by civil registration agencies</p> <p>Logistical support by governments, such as provision of transport or premises</p> <p>Statistical IT system services</p> <p>Salaries for teachers seconded as polling officials</p>	<p>High-integrity voting security measures such as the use of indelible ink and tamper-proof containers, external processing of electoral registers, and special security paper for printing ballot papers</p> <p>Election-related costs of international peacekeeping missions</p> <p>Political equity costs such as funding of party campaigns, media monitoring</p>

Who Finances EMBs and How?

State or Public Funding

320. Electoral events are a core function of a democratic state. The state thus remains the primary source of funding for the core costs of most EMBs. The electoral budget forms part of the consolidated national budget on an annual cycle. However, different models of EMBs may receive their funding by different methods and routes from the state's consolidated budget.

Method of Disbursing State Funding

321. Funding for many EMBs under the Independent Model, for example in Costa Rica, Ghana and Namibia, is a separate line item in the national budget, released directly to the EMB by the Treasury. For others, the EMB budget is released through a government ministry, for example, the Ministry of Home Affairs in South Africa and the Ministry of Laws in India.

322. Budgets for EMBs under the Governmental Model are usually a part of the budget of the government ministry responsible for implementing electoral processes, as in Denmark and Singapore. Where the Mixed Model is used, the budget of the component independent EMB may be channelled through a line ministry, such as the Ministry of the Interior in France. In Senegal, electoral implementation by the Directorate of Elections in the Ministry of the Interior is funded through that ministry. However, soon after the establishment in 2005 of the component independent EMB, the Autonomous National Election Commission, its funding was a subject of dispute.

Approval of EMB Budget Proposals

323. It is common for EMBs to submit their budget proposals to the Treasury for preliminary approval, although some submit their budget proposals directly to the legislature or a committee of the legislature. In some countries, such as Costa Rica, the legislature has no power to alter or reject any part of the proposed budget of the EMB (see the case study). In others, as in Nigeria and the Seychelles, specified parts of the EMB's proposed budget dealing with EMB members' salaries and allowances cannot be altered by the executive or its agencies.

324. In Canada, the budget of the EMB has two parts – the recurrent budget, which covers costs such as permanent staff and related material support; and the elections budget, which covers additional expenses directly related to an election or referendum. The recurrent budget may be altered by the government, while the elections budget may not. The EMB provides an annual estimate of its elections budget to the government, but is allowed to spend more than this estimate. Following the election, the EMB accounts for these expenditures to a committee of the legislature.

Integrated or Distributed Electoral Budgets

325. An electoral budget may be a single integrated item in the national budget, or may consist of many components which are spread across the budgets of various government agencies. National, regional and local governments' budgets may each provide funds to EMBS. In the unitary state of Indonesia, the national budget totally funds the EMB to conduct presidential elections and elections to national and regional legislatures, but regional and local authorities provide most of the funding for elections for provincial governors and local mayors. Such arrangements are more common in federal states. Funding for the EMB in Bosnia and Herzegovina is provided by all four levels of government; their respective shares vary according to the type of elections being held. In India and Mexico, the national government funds the EMB to conduct national elections, but regional governments contribute funds when their elections coincide with national ones. In the UK, the costs of elections are funded by local authorities and are reimbursed by central government according to fixed scales.

Donor Funding

326. Some countries emerging from conflict have relied on donor assistance, through the UN or other agencies, to fund the whole or a significant part of their electoral budget. Examples include Cambodia (1993), Mozambique (1994), Bosnia and Herzegovina (1996), East Timor (2000), Sierra Leone (2002), Afghanistan (2004), Iraq (2005) and Palestine (2005–2006). In post-conflict elections, donor assistance can be essential, especially if breakdown of the institutions of the state has destroyed their ability to collect revenue.

327. Donor assistance from the UN, the European Commission, the United States Agency for International Development (USAID) and other sources has made a significant contribution to funding electoral processes in many other countries. There is a growing pattern of regional donor assistance: for example, South Africa and other SADC countries offer electoral support to EMBS of other SADC member countries; and the OAS has provided regional assistance in countries such as Haiti.

328. In emerging democracies such as Albania, Indonesia, Lesotho and Palestine, assistance may be necessary to implement electoral processes that meet international standards. Assistance may also be necessary to enable fledgling opposition parties to contest elections in a comparatively competitive manner. In countries wishing to upgrade their electoral services, such as Papua New Guinea, general institutional capacities and awareness may not yet have developed sufficiently to deal with the 'intangibles' in electoral costs – such as training and education. Even in relatively consolidated democracies, 'flagship' projects in fields such as data processing and communications may require donor assistance. Some emerging democracies are relying heavily on foreign donor assistance to fund their core election budget. The resulting sustainability issues are examined in chapter 10 of this Handbook.

329. The availability of funding from donors will be affected by their own funding cycles, which may be difficult to coordinate with the timing of EMB needs. Donor assistance is

usually channelled either directly to the EMB or through a government ministry. Channelling it directly to the EMB has the advantage that it facilitates easier disbursement and provides a direct line of accountability. In Cambodia and Yemen, the EMB has a special account in the National Treasury established for electoral management funding from all sources. Different accounting requirements from multiple donors may complicate the EMB's financial reporting mechanisms. On the other hand, exposure to different donors' accounting requirements can encourage EMBs to review and improve their own financial accountability systems.

330. Control of donor funds can be a contentious issue. Channelling donor funds through government ministries may lead to delays or diversions in the disbursement of funds due to government bureaucracy or corruption, but host countries may insist on this to ensure that their, rather than the donors', funding priorities are followed. Steering committee mechanisms, involving representatives of all donors, the EMB, and possibly the government, can be an effective solution, and can prevent duplication of funding. Formal or informal use of an agency such as the UNDP to coordinate all donor funding for an EMB can also be effective. In Indonesia in 2004, a significant proportion of multiple donors' electoral assistance funds were disbursed through a UNDP Trust Fund under priorities established by the EMB.

331. EMBs need to be careful that donor assistance meets their priorities and is not driven by the interests of consultants provided by the donors or by equipment providers from the donor country. Technical assistance provided by donors needs to include components for training and skills transfer to EMB counterpart staff so that the EMB can assume full ownership of future electoral processes. Donors may prefer to directly contract suppliers of products or services for an EMB, which can raise public questions about foreign interference. Donors may require that systems, equipment and other tangible items they provide be purchased from their home country suppliers. Experience shows that externally driven equipment solutions, such as the choice of equipment for voter registration in East Timor in 2000, may be inappropriate for the environment.

Table 14: Some Key Advantages and Disadvantages of International Donor Funding for Electoral Processes

Advantages	Disadvantages
<ul style="list-style-type: none"> • May be necessary to ensure that an electoral event is held • Donor-funded technical assistance can raise electoral administration standards • Assistance with implementing international standards can enhance the freedom and fairness of electoral processes • Skills transfer from technical assistance can create sustainable improvements in electoral processes • Coordinated donor assistance can plug critical gaps in an EMB's budget • Funding may assist an EMB to improve its service and credibility by acquiring appropriate technology • May encourage EMBs to improve their budgeting and accounting processes 	<ul style="list-style-type: none"> • May create dependence on foreign funding of electoral processes • May lead to the introduction of costly and unsustainable electoral practices • Unless carefully coordinated, can lead to duplication of funding • May concentrate on high-profile activities to the detriment of essential ones • May not ensure that sufficient funding is received in time • Ineffective or inappropriate externally driven technical solutions may be imposed on an EMB • May be difficult to implement different accounting mechanisms required by multiple donors

Other Sources of EMB Funding

332. Some EMBs receive income in the form of nomination fees, lost deposits, or fines imposed following breaches of electoral campaigning or other regulations. It is important that this income is accounted for fully and transparently.

333. EMBs may also receive funds and donations in kind from large corporations, the business community and philanthropists. For example, the South African and Namibian EMBs collaborate with the local business community to set up and manage their election results centres, while the Botswana EMB cooperates with the corporate sector to conduct voter information campaigns. EMBs need to be careful that the manner of raising funds from the corporate sector does not affect perceptions of their financial probity, impartiality or credibility.

334. Some EMBs, as in Australia, raise some funds through the administration of elections on behalf of bodies such as professional associations or trade unions. Others, as in Hungary and Zambia, charge a fee to recover the costs of printing copies of the electoral register which are distributed to political parties and other stakeholders, and in some cases charge for other publications.

Budget Formulation Methods for EMBs

335. There are two main approaches to the formulation of an EMB budget: baseline (or incremental) and zero base (or zero-based) budgeting:

- a. *baseline budgeting* takes as its basis the last funding period's allocation and adjusts that for the next period. It is a budgeting tool suited to relatively static environments, rather than the dynamic electoral environment; while
- b. *zero base budgeting* treats each funding period as a clean slate, and estimates funds required to achieve the strategic plan's objectives for that period.

336. Zero base budgeting recognizes that circumstances change from funding period to funding period. Past funding levels are not the relevant factor. Budgets are linked to the strategic plan by separately estimating and justifying the funds required to achieve each of the objectives for the funding period defined in an EMB's strategic and operational plans.

337. An EMB's approach to budgeting often tends to reflect that of the public sector in its country, especially if it is bound by general public-sector financial rules. Many EMBs still use baseline budgeting to prepare their election budget. There are a number of factors that make this approach less effective or even inappropriate for EMBs:

- a. As an EMB's tasks may vary greatly from one year to another, depending on the electoral cycle, the resources needed for one funding period's tasks tend not to be adequately predicted by the preceding funding period.
- b. Attempting to estimate budgets for a forthcoming election on the basis of the budget for an election three, four or even five years earlier runs the risk that the effects of environmental and technological changes or inflation that occur over longer periods will not be adequately considered.
- c. The changing nature of electoral processes creates new tasks and new costs which may not be able to be estimated on the basis of past needs.
- d. There are likely to be substantial cost variations from year to year due to the increasing use of new technology for EMB tasks such as voter registration, information communication and management systems, voting and the transmission of election results. As increasing use of technology changes EMBs' working methods, costs in some areas may rise and in others may fall.

338. If the EMB uses a baseline budgeting approach, it will find it more difficult to meet the increasing demands for good governance, accountability and sustainability. EMBs need to justify what will be achieved by the use of the funds requested, and show why the level of funding requested is necessary.

339. Zero base budgeting encourages a 'programme' or 'performance' approach to budgets, whereby EMB activities are separately costed, and budgets are linked to specific output targets and objectives, as is done by the Australian EMB. Thus, instead of having EMB-wide, generic budget categories of 'staffing', 'forms printing', 'transport', 'security', 'regional office costs' and

the like, which makes it difficult to determine the cost of any EMB service or product, relevant costs are budgeted and attributed to a specific programme or project – such as ballot paper printing and distribution, staff training, or information programmes for political parties.

340. Zero base budgeting greatly improves the accountability of an EMB for its use of public and other funds, and assists the EMB to focus on providing cost-effective service delivery. It requires that all divisions within the EMB have individual work plans that are tailored to the EMB's strategic goals, which identify the required outcomes, contain performance objectives based on measurable output targets, and specify verifiable indicators that these targets are being achieved. Each work plan aims to achieve a particular objective which contributes to the EMB's overall strategic goals, and has a specific budget structure. Linking the budget to the strategic plan in this way makes it easier to determine how effectively funds have been expended to reach each objective, and to determine where and to what extent funding requests may be cut, or need to be increased.

The Process for Budget Formulation and Approval

341. The construction of a budget starts with each EMB division preparing a budget proposal for its work plans. This budget proposal states the division's funding and other resource needs, how its activities meet the output objectives of the strategic plan, and performance indicators. Once activities have been agreed upon at division level, these divisional budgets are reviewed, often by a committee of senior divisional managers chaired by the head of the secretariat or the chief accounting officer of the EMB, to ensure that proposed divisional budgets are realistic and fit a common understanding and prioritization of the EMB's strategic objectives. The head of the EMB's secretariat then amalgamates and finalizes the overall EMB budget estimate: in independent EMBS, the budget then usually has to be approved by the chair or by the members of the EMB. In governmental EMBS, the ministry within which the EMB is located may undertake this whole process.

342. The next step is generally for the head of the secretariat or chair of the EMB to forward the budget to the relevant ministry. In countries where this ministry is required to approve the EMB budget proposal, a formal budget hearing may be scheduled. In India, the EMB and the Ministry of Finance consult together to finalize the EMB budget, although the ministry normally accepts the proposal of the EMB. The South African EMB submits its budget to the legislature via the Department of Home Affairs, but the latter does not have the power to alter the EMB budget. However, the Department of Finance may reduce the EMB budget proposal – as happened in 1999, resulting in the resignation of the EMB chair in protest. EMBS whose budget proposals may not be altered by either the executive or the legislature include those of Costa Rica and Ghana. It is common practice for the Ministry of Finance to incorporate the EMB's budget into the national budget for tabling before the legislature for approval. It may be presented by a member of the legislature, often a minister of the department which represents the EMB.

Availability of Budget Funds

343. The practice in many countries is for the Treasury to release the funds to the EMB in a lump sum after legislative approval has been secured. This applies where the EMB has autonomy over its finances, and often its own banking account, as in Gambia and Macedonia. In some cases, EMB funds are kept and managed by the Ministry of Finance, with the EMB making requisitions for the ministry to pay its creditors and staff, mainly by cheque. EMBs in this category include those of Botswana and Namibia. The budget of the EMB is charged directly to the Consolidated Fund in some countries, for example, Barbados, but there may be significant legal and administrative barriers to be dealt with before such an approach can be implemented in other countries. For governmental EMBs under the Governmental or Mixed Model, funds for electoral processes may be released to the host ministry and disbursed through that ministry, or disbursed directly through the Treasury's bank accounts.

344. EMBs are more likely to use cheques and bank transfers for significant payments, although cash transactions are still used extensively for the payment of temporary staff and in general in post-conflict environments where the banking system has broken down, as in the Democratic Republic of the Congo. In Cambodia, salaries are paid in cash while other transactions are made through bank transfer or by cheque. Other EMBs, such as Australia's, limit cash transactions to small petty cash amounts under strict controls.

Control of EMB Funding

345. Emerging democracies often fail to fund major election processes in an adequate and timely manner. Where EMB expenditure processes and cash flow are controlled by a government ministry and subject to government rules and procedures, there may be delays in the disbursement of critical funds.

346. Delayed disbursement of funds to an EMB can create major problems in electoral administration. It can mean that vital decisions are delayed, or that insufficient time is left for the EMB to use high-probity tender processes or organize the supply of acceptable quality goods for electoral purposes. Late payment to suppliers can cause disruptions to supply in the time-critical election environment. Late payments to staff, as has happened in Cameroon, can also threaten electoral processes. It may be to the advantage of both EMB and government to conclude a memorandum of understanding governing the funding disbursement arrangements.

347. In Russia the EMB may obtain a loan from the private sector if there are delays in receiving state budget funding. The Georgian EMB has a procedure to ensure timely disbursement of funds by the government: it can bring a claim before the Supreme Court if funds are not disbursed in a timely manner.

348. Having a ministry control EMB payments may raise perceptions that the EMB's activities are being controlled by the government, which can threaten the EMB's credibility. Even where an EMB is constitutionally independent of the government, linking it to the government financial payments system can limit its autonomy.

349. Giving EMBS control of their own payments procedures and systems enhances their credibility as being independent of the government, and may lead to faster payment processes. However, it also places an additional workload and a significantly greater burden of control on the EMB to ensure that all payments are made correctly, on time, and to the highest standards of probity. Before assigning control of payments to an EMB, there needs to be certainty that the EMB has sufficient resources, skills and control systems in place to be able to manage its own payments. Robust accountability systems – internally through internal audit, and externally through external audit and reporting to stakeholders such as a committee of the legislature – are essential.

EMB Procurement Policies and Procedures

350. Governmental EMBS under the Governmental and Mixed Models are often bound by government procurement guidelines and practices. EMBS under the Independent Model, and independent EMBS under the Mixed Model, may be bound by governmental procurement requirements (such as those targeted at enhancing probity and effectiveness in procurement), or they may be able to determine some or all of their procurement policies and procedures. In Portugal, the governmental EMB, the Secretariado Técnico dos Assuntos para o Processo Eleitoral (STAPE, Technical Secretariat for Electoral Processes Matters), in general must follow government procurement procedures, but has special dispensations for urgent purchases.

351. Some EMBS have to use a generic government or public-sector purchasing agency for all procurement. In some circumstances, the complexity of purchasing rules means that it is often more effective for the EMB to use such an agency than to undertake this task internally. In other countries where the EMB must use a government-wide purchasing agency, such as Namibia, the EMB may obtain post-purchase approval of expenses or the exemption of some purchases from purchasing agency rules. However, this practice is generally regarded as incompatible with the principles of good governance and efficiency.

352. Using government-wide purchasing agencies may not be effective for EMB procurement, as many government bureaucracies are not able to work to the very short and strict time lines that generally confront EMBS in acquiring electoral goods and services. As a result, EMBS can set up their own internal purchasing boards to manage their procurement independently, as is done in Palestine and in Trinidad and Tobago. If an EMB has its own purchasing board, its control over procurement decisions and timing is increased, but accountability for all procurement now rests with the EMB.

353. Any public or government criticism about the probity or suitability of EMB procurement decisions can very quickly reflect on the overall credibility of the EMB. EMBS need to ensure that their purchasing processes are fully transparent, meet the highest standards of probity, show no favouritism, include a genuinely competitive bidding process, determine the winning bidders on objectively provable grounds, and are free from any taint of corruption. Before assigning control of procurement to an EMB, there needs to be certainty that the EMB has sufficient resources, skills and control systems in place, including an enforceable code of conduct and conflict of interest provisions.

354. Robust checks and review procedures are required for major procurement decisions, as are control measures that are rigorous enough to withstand the pressures of any fast-tracked purchasing required due to late operational decisions or delayed release of funding. The EMB may find that its procurement procedures can be streamlined with no loss of integrity if it sets up pre-qualification procedures which identify earlier in the electoral cycle those suppliers which meet the EMB's qualifications for supplying specific goods or services, and who are invited to tender for these before an electoral event. Pre-qualification procedures must, however, be as transparent and strict as the procurement itself. It is good practice to require bidders for contracts to accept the EMB Code of Conduct.

355. EMBs also need to ensure that their equipment purchases, especially in high-technology areas, are driven by the needs of the EMB, and not the suppliers' need to shift outmoded stock, field test new products, or sell expensive equipment that is over-specified for the task or which may not be maintainable without an expensive maintenance contract with the original supplier. Finding truly independent advice on IT systems can be very difficult, and EMB members and staff may not have the technical knowledge to analyse seemingly appropriate vendor proposals. EMBs have to be clear in their operational objectives about the outcomes that are expected of IT and other equipment or systems purchases, and rigorously and independently test vendor proposals far in advance of the next electoral event to ensure that they can meet these objectives.

EMB Financial Control Measures

356. There are four standard levels of control on EMB financial management – purchase and expenditure approvals processes, internal monitoring, internal review, and external review or evaluation. These controls are necessary to ensure that errors are corrected and corrupt or illegal practices are prevented. The basic level of control is in the EMB's procedures for approvals for purchasing and for authorizing expenditure. Approvals of expenditure up to defined financial limits may often be effectively delegated to secretariat staff with appropriate seniority. The important factor is some diffusion of control, for example, by requiring transaction approvals from each of:

- a. the operational area which requests the financial commitment;
- b. the finance control area which checks that the commitment is in line with EMB strategic directions and financial policies; and
- c. the finance disbursement area which authorizes payment for the transaction.

357. Internal monitoring is applied by the EMB staff who are responsible for managing the EMB's financial resources at all levels. This includes the heads of division who are responsible for monitoring and reviewing staff performance, and managing their divisional budgets. Overall financial monitoring is the responsibility of the division, usually the finance division, which is responsible for managing EMB expenses and financial transactions through accounting records such as general ledgers, journals and suspense accounts. This division usually also controls the entire budget and produces regular financial reports, including cash projections.

358. Some EMBs have a special members' subcommittee on financial matters, which advises the secretariat on financial issues and may also have the mandate to approve the proposed EMB budget and appoint the EMB's external auditors. For example, some of these tasks are undertaken by the Finance, Planning and Logistics Committee of the Kenyan EMB, which includes both EMB members and secretariat staff. In Palestine and in the Solomon Islands, expenditures above a specified amount must be approved by a full meeting of the EMB. This can be a wise method of controlling expenditure, although the work of the EMB will be hampered if the limit is too low.

359. The EMB may also have an internal auditor, a member of the secretariat whose objective is to ensure financial regularity and the alignment of the EMB budget and staff performance with the strategic direction of the EMB. To maintain the independence of internal audit, it usually reports directly to a member of the EMB or the head of the secretariat, rather than through a division of the secretariat. While a primary function of internal audit is to provide assurance to the EMB of the accuracy and integrity of its financial management, it can also play a wide internal development and evaluation role within the EMB. It can advise on the audit requirements of systems, especially those based on new technology, and can provide impetus for change through the reports of internal evaluations of the EMB's operational processes.

360. The financial control process also includes external audit. External audits are usually required at least annually and often after significant electoral events as well. Audits of electoral processes in governmental EMBs under the Governmental Model and component governmental EMBs under the Mixed Model may not be separate audits, but part of the external audit of the host department. External audits may be done by a government audit agency (if this exists) or by a private contractor, which examines the EMB's financial transactions for the relevant period and reports on whether they were free of irregularities, and also identifies areas of financial management where improvement is required.

361. The final stage of financial control includes public submission, often to the legislature, as in Guyana and Nigeria, of the EMB's election or annual reports and audited financial statements. Accountability mechanisms for EMBs are discussed in detail in chapter 9 of this Handbook.

Asset Management

362. EMB assets are public property, so the EMB has a responsibility to protect their value by controlling all assets – equipment, materials, and other assets such as software – after purchase. Responsibilities for asset management need to be clearly identified in the EMB's structure and staff job descriptions. Donors may also wish to ensure that an EMB has the capacity to take over the management of assets they provide.

363. Basic controls on an EMB's assets include placing an EMB identification number on each item, maintaining comprehensive and up-to-date asset registers, ensuring that there are audit trails for transfers of assets, implementing regular stocktakes of assets, and investigating and

enforcing appropriate sanctions over any discrepancies found. Stocktakes need to be conducted at least annually. Asset registers need to record all relevant data, including asset name, serial and ID numbers, purchase date and cost, current location and location history, depreciation data, current value, current condition, last stocktake date and disposal information.

364. When purchasing assets, EMBs need to have a clear concept of their life cycle. Timing of asset purchases is critical for ensuring both the efficient use of funds and the availability of assets for electoral events, and needs to consider issues such as production lead times, storage costs and distribution facilities. For example, in Canada the EMB ensures that it always has sufficient special paper stocks on hand to print ballot papers for one national election, as in Canada elections may be called at any time.

Records Management

365. Archiving of EMB materials is important to protect the institutional history and memory of an EMB, and to ensure that reference materials are available when required. Archiving policies need to include requirements for document security, for the structure and locations of current hard-copy and electronic file records (including electronic file back-up policies), for the preservation, on or off site, of historical records, and for the timing and manner of disposal of records that are no longer required. Clear archiving, disposal, and/or destruction plans for all EMB equipment and materials are necessary, and are especially important to ensure that electoral materials that could be used in future legal proceedings or for research to improve electoral processes are appropriately preserved. Environmentally sound methods of disposing of unwanted assets – for example, the packaging for used registration kits in Cambodia in 1998 – are a good practice.

Principles for EMB Financial Management

366. The requirements for key EMB financial processes, such as budgeting, procurement, expenditure authorizations, financial reporting and auditing, may be contained in law, accounting and financial reporting codes, or EMB or government regulations. A clear legal framework for the management of EMB finances ensures certainty, regularity and consistency, and fosters good governance within an EMB. As well as the legal framework, there are fundamental principles which are the basis of good practice EMB financial policies and procedures.

Transparency

367. Financial transparency raises stakeholder and public awareness of the EMB's structures and programmes, financial policies and challenges, and can foster stakeholders' confidence in the EMB's capacities. Financial transparency promotes good governance and serves as a strong deterrent to corruption and fraud within an EMB. When there are allegations of bad or

dishonest practices, the EMB can better protect its credibility by rigorously exposing, rather than seeking to hide, such practices, including ensuring that whistle-blowers are protected.

368. Transparency in the preparation, justification and approval of an electoral budget builds public confidence in the management of an EMB. Rigorous public scrutiny and accountability through the legislature provide the EMB with the opportunity to show publicly its commitment to financial integrity. It is good practice for an EMB to be transparent in its procurement practices, especially where fast-track methods have to be used to meet electoral deadlines.

369. Prompt public disclosure of the results of audits of an EMB's financial accounts and of reports on the awarding of contracts guards against financial irregularity and corruption or patronage in contracting. The most fundamental way in which an EMB can promote financial transparency is by publishing its annual performance reports, including audited financial statements, and submitting these reports to the legislature and other stakeholders, including the political parties and the general public.

Efficiency and Effectiveness

370. As a guardian of public funds, an EMB has an obligation to expend these responsibly and to manage its financial, human and material resources in an efficient and cost-effective manner. An outcome-based approach to the EMB's budgets, regular monitoring of staff performance, and regular auditing of financial records assist in promoting efficiency and effectiveness in the use of an EMB's funds. This can contribute to enhanced public confidence in the EMB's management of electoral processes.

Integrity

371. The commitment of all EMB members and staff to integrity in their conduct underlies the organizational integrity of an EMB. Integrity in financial management covers not only monetary transactions but also issues such as respect for intellectual property. The development of integrated financial management systems with clear audit trails enables breaches of financial integrity standards to be discovered and reported. Strong codes of conduct and policies on conflicts of interest promote integrity. A strict regime of sanctions for breaches of integrity requirements, and fearlessness in using them, will enhance public confidence in the EMB.

CHAPTER SUMMARY

- New technologies and demands for high-integrity and widely accessible elections are placing new demands on election funding, and leading to reliance on donor funding in some emerging democracies. EMB funding needs vary significantly between years, requiring accurate budget estimations based on resource needs for planned strategic outcomes.
- The UNDP- and IFES-sponsored Cost of Registration and Elections (CORE) Project divides electoral costs into three categories:
 - a. core (or direct) costs – ‘normal’ directly attributable electoral costs;
 - b. diffuse (or indirect) costs – support costs hidden in budgets of organizations other than EMBs; and
 - c. integrity costs – additional costs required to secure the integrity of fragile electoral processes.
- Election costs are measured with different levels of comprehensiveness and under different circumstances in different countries, making cost-effectiveness comparisons difficult.
- State budget funding for elections may be from a single source or multiple sources and for a single institution or multiple electoral institutions. Where electoral budgets are proposed by an EMB, they must in most cases be approved by the legislature and disbursed to the EMB through a government ministry, although this may affect perceptions of the EMB’s ability to act independently and in a timely manner.
- Especially in emerging democracies, a large proportion of electoral funding may come from donor agencies. While donor assistance can have a positive impact on election technical standards and integrity, it needs to be carefully targeted at EMB priorities, to be coordinated between donors and the receiving country, to promote sustainability rather than donor dependence, and to be subject to appropriate controls that allow the EMB to make effective use of the funds.
- EMBs variously use baseline budgeting (based on historical allocations of funds) or zero base budgeting (based on future activity required to meet strategic objectives) for electoral budgets. Zero base budgeting may initially require more skill and effort, but allocates resources more effectively and ties EMB activities and performance more accountably to the objectives of the EMB’s strategic plan.

- Having an EMB control its own expenditure processes and cash flows enhances its credibility and may assist in the timely disbursement of electoral funds. However, EMBS must then have sufficiently rigorous controls on expenditure and payments to prevent error and fraud.
- In some complex purchasing environments it may be preferable for an EMB to use a public sector-wide procurement agency. In most cases, however, the EMB can better meet the tight deadlines for electoral procurement by managing its purchasing independently, subject to its having sufficient resources, skills and internal controls to ensure integrity and value for money in procurement. Necessary controls include enforceable conflict of interest policies and codes of conduct, and measures to ensure that purchasing decisions are not vendor-driven.
- EMBS need to institute graduated levels of financial controls, such as diffused approvals of procurement and disbursements, work-unit and EMB-wide internal financial monitoring, and regular internal and external financial audits.
- EMBS hold public assets and are accountable for their use, their safe keeping, and appropriate archiving or disposal at the end of their useful life. Professional asset management systems, including regularly checked asset registers, and archiving policies that protect an EMB's institutional memory are necessary.
- The financial management of EMBS needs to follow the principles of transparency, efficiency, effectiveness and integrity.

India: The Embodiment of EMB Independence

Vijay Patidar and Ajay Jha

The Election Commission of India (ECI) is widely regarded as a model of an independent EMB. It may be even more appropriate to describe it as a 'fiercely independent' EMB. In 1948–9, the founding fathers of the Indian constitution, while debating the position of the election commission in the Constituent Assembly, ensured that the body responsible for conducting elections in independent India should be a distinct one, separate from the government of the day, and that it should have ample financial and administrative autonomy to conduct its affairs. A combination of the well thought-out, broadly worded provisions contained in article 324 of the Indian constitution, a supportive judiciary, active media and Indian public opinion, coupled with the stature and independent attitude of some of the individuals who have headed the election commission, has resulted in the independence and reputation that the ECI enjoys today.

The Legislative Framework Governing Elections and the EMBs

In addition to the fundamental constitutional provisions, there are two important basic statutes that provide the legal framework for elections. They are known as the Representation of the People Acts, the first passed in 1950 and the second in 1951. The first provides for the basic requisites for elections, such as the allocation of seats for the legislatures at national and state level, the delimitation of electoral boundaries, and the preparation of the electoral registers. The second lays down detailed provisions for the actual conduct of elections. It includes the qualifications for standing as a candidate for different public offices, the rules for registration of political parties, and the procedure for dealing with electoral disputes.

Once the election machinery is set in motion, the electoral process is subject to the administrative supervision of the ECI, and no court of law can stop the process. Only after an election is concluded can an election petition be presented to the High Court. The ECI itself enquires into any allegations of procedural irregularity or violations of the electoral law. This procedure has ensured that the electoral process can be completed on schedule, without getting bogged down in judicial hearings.

To supplement the various provisions of these two statutes, detailed procedures are contained in the Registration of Electors Rules 1960 and the Conduct of Elections Rules 1961, including the instructions and forms to be used on polling and counting days.

The ECI, after consultations with all the political parties, has published a model code of conduct. This code has no legal basis and derives its legitimacy from the consensus of the political parties. It is an attempt to bring about a level playing field where the governing party is prevented from misusing the state machinery to the disadvantage of opposition parties. The ECI has done an excellent job of enforcing its provisions and reining in the governing parties during election periods. At times it has used this code to postpone elections in certain disputed electoral districts in the face of gross violations of the code of conduct.

Institutional Structure

India is a federal polity of 28 states and five union territories. At national level, the Union Parliament has two houses, the lower or popular house, the Lok Sabha, and the upper house, the Rajya Sabha. In addition, each of the states has at least one elected house, the Legislative Assembly, and some of the larger states also have a second house, the Legislative Council. The Indian constitution entrusts the responsibility to conduct elections for all these legislative bodies, at both federal and state level, to the national election commission.

In 1992, through the 73rd amendment to the constitution, a third tier of governance was introduced – district-level bodies (panchayats), which are India's institutions of local self-government. Elections to panchayats are entrusted to the state election commissions, which are separate entities.

Initially, there was a single chief election commissioner. However, the size, complexity and responsibility of the task led to the introduction briefly in 1989 and then from 1993 onwards of a three-member ECI. The president appoints the chief election commissioner and election commissioners. They have a term of office of six years, or up to the age of 65 years, whichever is earlier. They enjoy the same status and receive the same salary and other benefits as judges of the Supreme Court of India. The chief election commissioner can be removed from office only through impeachment by Parliament. Impeachment can take place on two grounds only – proven misbehaviour or incapacity – and requires an elaborate procedure which is also prescribed for the removal of judges of the Supreme Court and the high courts. Other election commissioners cannot be removed from office except on the recommendation of the chief election commissioner.

The ECI exercises total control over the entire election machinery, even though the members of the electoral machinery are not its employees. India has the tradition of a neutral civil service. The key officials at state level are the state chief electoral officers, who are selected by the ECI from a shortlist of federal civil servants posted to the state drawn up by the state government. State chief electoral officers may not be dismissed without the approval of the ECI at national level.

However, the main electoral activity takes place in the 500-odd districts, with an average of 1.3 million registered voters in each district. The office of district magistrate (also known as district collector or deputy commissioner in some parts of India) – an office created by the British – plays the pivotal role for the ECI. As district election officer, the district magistrate performs key electoral duties as the team leader of all district and sub-district level officials. All these officials are legally deemed to be on secondment to the ECI and come under the supervision, discipline and control of the ECI for the duration of an election.

In addition to about 5 million polling staff for about 700,000 polling stations, the ECI demands and gets from the government the services of senior officials who have worked earlier as district election and returning officers to act as electoral observers on its behalf. The ECI thus has immediate access to a large number of impartial and experienced observers without

having either to employ them permanently or to pay them. The observers are provided for in the Representation of the People Act of 1951 by an amendment inserted in 1989. By law they are to be officers of the government (federal or state) and they are vested with the power to stop the count if they are of the opinion that some malpractice has taken place. However, they have to report this to the ECI immediately and then follow the directions given. In practice, the ECI has also empowered them to intervene in several matters, especially the deployment of police forces on voting day, locating polling stations in areas inhabited by weaker and poorer sections of the people, and deciding on re-polls in cases of violence, alleged rigging and so on. Over time the institution of observers has developed into a formidable tool in the hands of the ECI to regulate elections in the field, acting as the eyes and ears of the commission and proving to be another important institution in ensuring the independence of the election machinery in India.

Powers and Functions

The ECI performs routine functions, such as voter registration, deploying and training election officials, printing ballot papers, conducting the actual voting, counting the ballot papers, and declaring the election results. In addition, it allocates free time on the state-owned electronic media to the different national and state parties during the campaign period.

The ECI is not responsible for the delimitation of electoral boundaries: the constitution provides for a separate Delimitation Commission, headed by a sitting or retired judge of the Supreme Court. One of the election commissioners is nominated to be a member of this body. However, because the ECI has the institutional memory and provides secretarial support, it plays an important role in the delimitation process.

The ECI is the watchdog of election expenditure. It appoints financial observers through whom it very closely monitors the expenditure of the candidates during the election campaign period. This has successfully reduced illegal expenditure at election time in India.

The ECI has the power to order a re-poll at polling stations where irregularities have been observed – or indeed in a whole electoral district – if the situation so demands. It may also adjourn any poll for a few days.

Provisions to regulate political parties were originally absent from the electoral law and were introduced only in 1989, giving the ECI the responsibility for registering political parties. Initially, the procedure for registering a political party was quite liberal. Any association or group of persons seeking to form a political party had to apply in a prescribed form giving certain information. This simplified procedure prompted many people to register parties which then existed only in the records of the ECI. To curb this tendency and to facilitate the formation of serious parties, the regulations were tightened, to require that at least 100 members of a proposed party have to give details of their voter registration and swear individual affidavits that they are not members of any other party. The ECI has also prescribed a fee of 10,000 rupees (INR) for registering a new party.

Financing

It is a mark of the ECI's independence that it has not faced any major funding problems. With a staff of about 300 officials at the federal level, it is funded by the government budget through the Consolidated Fund. This pays for staff, technical operations and various office expenses, including the cost of acquiring electronic voting machines (EVMs). However, the

greater part of the expense is borne by the state governments – for example, for staff at the state headquarters and in the districts, the printing and transport of ballot papers, preparing and printing the electoral registers, procuring material for the conduct of elections, training, the salaries of election officials and of security forces deployed for elections, and the expenses of central election supervisors. The cost of time on the state-owned media is borne by the government as the parties are given this time free. The broad powers given to the ECI by the constitution have been liberally and boldly interpreted to make the government pay for any necessary expenses.

The ECI's accounts are subject to audit by the Comptroller and Auditor General and its report is tabled in the Parliament. This ensures the financial accountability of the ECI, and has worked smoothly.

Electoral Reforms

Although no formal procedure exists for proposing electoral (and consequent legislative) reforms, the ECI does have some role in this regard. It has put forward a number of proposals for electoral reform which are sent to the Law and Legislative Affairs Ministry and to the prime minister directly. Many times, to bring pressure on the government and encourage public debate, such proposals are also simultaneously discussed in the media. Calling a meeting of all political parties to create consensus is another effective method used by the ECI. The model code of conduct was adopted through this mechanism. Some important reforms have recently been instigated through the mechanism of public interest litigation, through which an NGO or public-spirited person raises issues before the Supreme Court or the high courts.

Modernization of the Electoral Procedures

The Election Commission, after initial hesitancy, has actively and successfully promoted the application of information technology to elections as a way of handling the mammoth scale of elections in India. Each registered voter is issued with a photographic ID card to enable him/her to vote freely, and at the same time to prevent fraudulent and multiple voting. Copies of the electoral registers are made available to the political parties on CD-ROM for checking and for use on election day. Through the use of computers at over 400 vote-counting centres, the results of the count are processed instantly and made available.

Another technological innovation has been the use of EVMs at all polling stations. Although initially reluctant because of political parties' apprehensions about possible tampering and suspicion among voters resulting from widespread illiteracy, the ECI has actively promoted the use of EVMs. Their use at all polling stations in 2004 meant that the results were available within hours of the count starting.

Bosnia and Herzegovina: A Success Story for the Independent Model

Domenico Tuccinardi

The signing of the General Framework Agreement for Peace (GFAP, or Dayton Accords) in Paris on 14 December 1995 put an end to four years of civil war in the territory of the former Federal Yugoslav Republic of Bosnia and Herzegovina. The GFAP recognizes Bosnia and Herzegovina (BiH) as a sovereign parliamentary state made up of two entities, the Federation of Bosnia and Herzegovina and the Republika Srpska. Annex III of the GFAP mandated the Organization for Security and Co-operation in Europe (OSCE) to organize and conduct the 1996 general elections and establish an independent Provisional Election Commission (PEC). The PEC was established as an autonomous body including seven national commissioners, but the final decision-making powers rested entirely in the hands of the head of the OSCE Mission to BiH in his capacity as chair of the PEC. The PEC, authorized by the GFAP to operate on the basis of provisional ‘rules and regulations’, administered the first six elections that took place in the country up to 2000.

The Legislative Framework

The Election Law adopted by the Parliament on 23 August 2001 finally brought the electoral legislation of BiH under the country’s own domestic law. However, the unique and transitional legal framework of BiH is still regulated by a supranational structure which has at its peak the GFAP, of which the BiH constitution is an integral part (annex IV of the GFAP). Under this structure, the ultimate authority remains with the international community, and in particular with the high representative, the international figure appointed to monitor, coordinate and facilitate the implementation of the civilian aspects of the GFAP. The adoption of the Election Law of BiH concluded a long and troubled four-year process overseen by the Office of the High Representative (OHR) and the OSCE. Remarkably, it was the first crucial piece of legislation adopted by the BiH Parliament through its normal procedures and not imposed by the high representative. It provided for the establishment of an independent central EMB, and in November 2001 the first Election Commission (EC) was appointed.

The Election Law provides for all the necessary elements for democratic elections, although the electoral system it establishes is highly complex. Five very different systems of representation are used for the five institutional and administrative levels of the country (this includes Brcko

where a special regime, under the Republic of Bosnia and Herzegovina, is in place) and specific quotas are introduced to ensure appropriate representation of all ethnic groups in all state and entity institutions.

Institutional Structure

The EC is composed of seven members, with two representatives for each of the three constituent peoples (Bosniacs, Croats and Serbs) and one representative of the ‘Others’. The members of the EC are appointed by the Parliament for a five-year mandate, renewable for a second term, and the chair rotates among its members every 15 months. The EC is serviced by a Secretariat, headed by a secretary general who is the chief executive officer. It comprises six divisions, and has a total of around 40 permanent staff. After the appointment of the EC, the OSCE transferred its most experienced national staff to the Secretariat of the EC. From the beginning of 2003, all EC staff came under the national payroll.

The Election Law also established an Election Complaints and Appeals Council (ECAC), which has powers to adjudicate on disputes over violations of campaign rules and campaign financing irregularities. It consists of five members – one representative of each of the three constituent ethnic groups and the ‘Others’, and one member of the EC. The EC reviews all ECAC decisions and the EC Secretariat supports its work.

At the level of the two entities that make up the Bosnian state, two election commissions have recently been established. In addition, within the Federation of Bosnia and Herzegovina, each canton administration appoints its own election commission. However, the role of these intermediary commissions remains rather marginal and is essentially a monitoring one.

Finally, the municipal election commissions (MECs) have the functions of organizing electoral activities, including voter registration, within their respective municipalities.

Powers and Functions

The EC is vested with the power to issue regulations on all aspects of the electoral process, to maintain and update the central electoral register, to register parties and candidates, and to implement all levels of elections from the national to the municipal. More importantly, the EC has the power to coordinate, oversee and regulate the activities of all other election commissions provided for in the complex political and institutional set-up of BiH. The EC has proved so far to be a truly independent body, and has gained ‘on the ground’ a higher authority than originally envisaged.

The EC is also empowered to audit political party finances well beyond the election campaign periods, and has been given vast powers to investigate public officials, sanction them and remove them from their elected or appointed positions when a conflict of interest is proved.

Financing

The EC is financed by the national, entity, cantonal and municipal budgets. Their respective shares vary according to the type of election to be held. There are no clear provisions on how the disbursement mechanisms should function, and this has been a source of continuous disagreement and friction. To date, full funding for the EC has come only after strong pressure

from the international supervisors of BiH. Given the recent history of international support for elections, there is still a lack of appreciation, especially at the municipal level, that elections have now become a completely internal matter that must be funded by the domestic authorities.

Accountability

The EC is accountable to the Parliament of BiH, to which it submits an annual report of its activities. Its tendering, procurement and disbursement procedures have been established in compliance with the national legislation. The State Audit Commission audits the EC's expenditure regularly.

The Professionalism of Electoral Officers

A successful OSCE programme for the relocation of its national electoral staff to the EC ensured the rapid and effective transfer of knowledge that allowed the smooth running of the 2002 elections. However, the lack of appropriate transitional employment policies and rules caused the departure of many experienced staff in 2005. The recruitment and training procedures set out for the EC by the BiH Agency for Civil Service have proved so far to be too cumbersome and obsolete, and do not guarantee the conservation of the necessary levels of professionalism.

At the municipal level, some serious problems remain in ensuring that MEC members are properly qualified and sufficiently independent.

Relations with the Media

The EC enjoys very good relations with the media. Its sessions are always open to the media and observers, and are regularly followed by press releases. The Commission Regulatory Agency (CRA), the body that regulates the behaviour of the media in the country, has jurisdiction over all violations of the election law by the media, but the EC has the power to issue regulations on media coverage of political actors during the election period. The two agencies hold regular and transparent coordination meetings.

Relations with Other Institutions and Agencies

The creation of an independent and sustainable EC was a lengthy and complicated operation engineered by the international supervisors of BiH. The perception of the EC being an 'international' creation, together with its need to become operational immediately to run its first elections less than a year after it was set up, generated some initial criticism and boycotting in minor ways by other state agencies and ministerial offices. The EC faced the challenge with great energy and enthusiasm, and managed quickly to garner the respect of all stakeholders, especially the political parties.

Electoral Reform Management

The EC does not have the power to amend the Election Law, but it can recommend and draft amendments for parliamentary review and promote the setting up of ad hoc working groups on electoral reform with the government. While certain political actors still remain opposed to many of the complex formulae used to translate votes into seats, and are advocating changes, none of them has so far been able to propose new systems of representation that could be accepted by all the forces present in the Parliament and give equal protection to the interests of all the ethnic groups.

Sustainability

The first great achievement of the EC was to bring down the costs of elections to very affordable figures which are in line with those of other democracies of similar dimensions. However, a serious lack of appreciation remained on the part of many of the country's institutions regarding the challenges connected with the organization of elections in general, and in particular of the extraordinary complexity of the tasks the EC faces. This is reflected in a persisting reluctance to meet the EC's funding and procurement needs in a timely fashion.

The EC has already firmly established itself as a central asset in the BiH system, and is viewed as an example of how a central and multi-ethnic institution could impartially serve the different groups and interests present in the country. However, it is still a very young institution requiring international support to preserve its independence and impartiality.

The major sustainability problem facing the EC is the hiring and retaining of experienced and qualified personnel. Many of the procedures put in place by the EC rely in practice on sophisticated IT solutions. While this was a necessary move to rationalize operations and reduce costs, they require a very high level of specific technical expertise that is not found in any other sector of the BiH public administration. To guarantee the recruitment and retention of highly qualified and neutral IT professionals, the EC needs to be able to choose more freely the professional profiles that best meet its IT requirements and adopt competitive salary scales. Otherwise, the long-desired absorption of the EC within the BiH institutional framework might cause the lowering of the very professional standards that made the EC an example to be followed.

The second important issue of concern is the relationship between the EC and the MECs. The professionalization and depoliticization of most MECs has not been achieved. This might be remedied if the MECs were brought clearly under the EC chain of command, with the possibility for the EC to dismiss incompetent and biased MEC members. Under this framework, the other intermediate election commissions would continue to play a supervisory and guarantee role.