Chapter 8

Estonia

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This case study presents the Political Parties Act, the legislative framework for funding, regulating and monitoring political parties and candidates. It also discusses the Estonian Party Funding Supervision Committee, the electoral management body charged with overseeing compliance with the Political Parties Act.
Overall description

Estonia presents the case of a post-communist country, which has slowly developed an integrated system of party finance regulation, reporting and oversight. The system is based on parties receiving relatively generous amounts of state funding, while contributions by corporate bodies are banned. Parties are therefore more insulated from *quid pro quo* politics. But controversy remains around whether this system has created a cartel of dominant political parties (Pettai, 2013). It has also not prevented some parties from engaging in questionable campaign practices, such as using local government resources to carry out veiled electoral campaigning. The Estonian Party Funding Supervision Committee plays a central role in both monitoring political party finance reports as well as investigating and punishing violations of these regulations. The Committee is not a completely autonomous body, since a majority of its members are from the political parties themselves. However, during its first four years it has proven itself to be above these possible pitfalls and has been able to implement a rigorous and efficient oversight structure.

In Estonia, political party finance is regulated by the Political Parties Act, first adopted in 1994 and most recently amended in 2014. The Act oversees all aspects of political parties, including their founding, registration, membership rules, dissolution and certain areas of party governance. In addition, the Act establishes ground rules for party finance, meaning it lays out the permitted types of party income and expense, regulations for reporting party finance and the operating procedures for the main party financing monitoring body, the Estonian Party Funding Supervision Committee (EPFSC). It should be noted that in Estonia, independent, single candidates may also run for a seat in parliament as well as for local government councils; likewise, in local elections non-party citizen alliances may field candidates. Both of these electoral types are also covered by the financing rules stated in the Political Parties Act.

The regulation of party finance in Estonia is separate from electoral management. The Estonian National Electoral Committee oversees the organisation of all elections, including Estonia’s unique system of Internet voting. Because, however, party finance is something that is not linked uniquely to elections or campaigning, it was felt that the monitoring of this domain should be carried out by a separate body. This orientation also grew out of how party financing was monitored from the mid-2000s to 2011, namely through a special parliamentary anti-corruption commission comprised fully of members of parliament (MPs). This indicated that the main approach toward monitoring party finance would involve party representatives, and not uniquely independent experts, judges or officials.

During the mid-2000s, party financing received a lot of public attention. Scandals surrounding the mysterious ways in which parties were financing electoral campaigns led to much criticism in the media, but also to a special constitutional review complaint filed by Estonia’s Chancellor of Justice (or ombudsman) arguing that parliament’s failure to enact effective party finance regulation constituted a breach of good governance principles enshrined in the country’s constitution. After four years of wrangling, the Chancellor of Justice lost his appeal. However, the debate did eventually lead to a thorough re-examination of the Political Parties Act.

In April 2011, the Estonian Party Funding Supervision Committee was created as an independent oversight body (based in administrative law) with the task of compiling party and other electoral finance reports, enforcing the accuracy of these reports, investigating
complaints surrounding party finance as well as issuing administrative penalties and seeking criminal fines where party finance regulations have been violated. The Committee therefore has a clear mandate to monitor and enforce a broad range of issues related to political finance.

The Committee’s composition is also broader than the anti-corruption commission in parliament that previously oversaw party finance. The Committee is comprised of representatives from each party in parliament. (From 2011 to 2015 there were four; after March 2015, there were six.) Moreover, these representatives may not be MPs or government ministers, and ideally not in the executive bodies of their party. Hence, the idea is that these representatives serve as autonomous individuals, not as delegates or conduits for their party’s interests. In addition, the Committee includes three expert members: one appointed by the Chancellor of Justice, one by the National Electoral Committee and one by the State Auditor. The Committee is supported by an administrative advisor and a legal advisor.

During its first four years of operation, the EPFSC has built up an efficient and transparent financial reporting system, established numerous precedents in terms of investigatory and sanctioning power, and gained a reputation of credibility and integrity in the eyes of the public and most politicians. Needless to say, political finance remains controversial in Estonia, with certain parties calling for a drastic reduction in the amount of money that parties receive from the state budget. Likewise, because many of the EPFSC’s investigations have focused on one particular party (the Centre Party), the Committee has sometimes been accused of being biased in its activities. However, all major parties in Estonia have come under the Committee’s scrutiny at one point or another and no party has so far voiced a desire to alter or boycott the system.

Practical implementation of political finance regulations

*Level playing field*

As a post-communist country, Estonia has been developing its democracy over the last 25 years through various stages. An important milestone in this process was a decision in 2003 to forbid private companies and other legal persons from contributing money to political parties together with a tripling in the level of public funding for parties. The rationale here involved the widespread notion that extensive public financing for political parties helps to insulate them from business and other lobbying interests and thereby improve governance. Hence, Estonia first introduced public funding for parties in 1996, although initially this system remained modest and existed alongside private individual and corporate donations to parties. When the decision was made to ban corporate funding in 2003, public financing was raised from 20 million kroons (EUR 1.28 million) to 60 million kroons (EUR 3.84 million). In 2008, this figure rose to 90 million kroons (EUR 5.75 million), and for 2015 the overall amount was EUR 5.4 million.

This shift prompted a commensurate decrease in the share of private funding for political parties. Whereas previously parties had received upwards of 90% of their income from members and private sponsors (Sikk, 2006, p. 74), roughly 80% of parties’ funding came from state allocations in 2014. Another 18% came from individual private contributions and merely 2% came from formal party dues (Figure 8.1).
It is an open question to what extent this heavily public system of party finance creates a level playing field. Firstly, the system distributes money according to parties’ representation in parliament, thereby allowing larger electoral parties to spend more during a legislative term and thereby maintain their political advantage. Second, although the system does allocate money to non-parliamentary parties, these sums have been paltry when compared to those earned by parliamentary parties. Up until 2014, a party that just missed Estonia’s 5% electoral threshold would receive only a tiny fraction of what a party would get once it entered the legislature (EUR 15,978 as opposed to EUR 320,406). Parties that received between 1% and 4% of the national vote received just EUR 9,587 annually. All of this is in stark contrast to the amount (over EUR 1 million) that a party would get with, say, 20 seats in Estonia’s 101-seat parliament.

In 2014, thanks to a prolonged public discussion over the openness of Estonia’s political system, the party financing system was changed to accord slightly more money to non-parliamentary parties. However, the overall amount of public party financing remained the same. This therefore became a major campaign issue for a new political party in Estonia, the Free Party, which successfully entered parliament during elections in March 2015. One of its key demands was to halve the amount of public money given to political parties. After the elections, Prime Minister Taavi Rõivas invited the newcomer party to hold coalition talks. But this same party financing issue became a stumbling block, and the Free Party went into the opposition.

During the March 2015 elections, parties and candidates reportedly spent around EUR 6 million (Koch, 2015; EPFSC). This figure was approximate and a combination of two sources. On the one hand, parties are required to submit one month after an election a report to the Estonian Party Funding Supervision Committee that details all personal campaign expenses incurred by candidates running on a party list or as an independent candidate. These figures are presented in Table 8.1.
II.8. ESTONIA –

At the same time, personal candidate expenditures amount to only about 10% of what is actually spent during a campaign. The reason is that typically parties will spend their national funds on advertising and events for the entire party (in particular, TV and radio advertising). These amounts, however, are not reported as formal campaign expenditures, since it is felt that it is too difficult (or sometimes too arbitrary) to require parties to specifically designate certain expenses as being linked to an electoral campaign, when the activity might also be about promoting the party as such. Likewise, it is difficult to establish a starting date after which all party expenses (or donations, for that matter) might be automatically considered as linked to an electoral campaign.3 Until mid-2011, parties in Estonia were required to submit campaign finance reports. However, since there were no unified rules about what counted as a true campaign expense or funding source, the reports varied in their quality and were not seen as very useful in terms of either aggregating statistics or holding parties accountable.

As of 2011, parties are required simply to submit quarterly income and expense reports, within which one of the expense categories relates to “political activity” (alongside basic administrative costs and wages). It is under this rubric that parties incorporate most of their electoral campaign expenses. In this respect, one can look at what these political activity expenses were for the final quarter or two before an election in order to assume that some part of this money must have represented campaign expenses. Table 8.2 gives an indication that during the end of 2014 and early 2015 the four parliamentary parties did ramp up their spending on political activities. However, simply adding up these figures does not give a definitive account of campaign financing.

Because campaign finance reporting is not fully elaborated in Estonia, it is difficult to say how much public as opposed to private funding is used specifically for electoral campaigns. As a rule, money spent by individual candidates can be classified as private campaign spending. Hence, the roughly EUR 500 000 listed in Table 8.1 belonged to this category during the 2015 campaign. Money spent by the parties as a whole originates mostly from their state subsidy, partly from individual donations, minimally from party dues, and occasionally from bank loans (see Figure 8.1).

### Table 8.1. Personal campaign expenses incurred by candidates on party lists and by independent candidates, 2015 Riigikogu elections, Estonia

<table>
<thead>
<tr>
<th>Expense category</th>
<th>CP</th>
<th>SDE</th>
<th>RP</th>
<th>PPRPU</th>
<th>FP</th>
<th>CPP</th>
<th>Other parties</th>
<th>Independent candidates</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising expenses</td>
<td>173 874</td>
<td>40 977</td>
<td>27 598</td>
<td>129 678</td>
<td>6 688</td>
<td>7 465</td>
<td>4 474</td>
<td>4 275</td>
<td>395 031</td>
</tr>
<tr>
<td>TV</td>
<td>24 808</td>
<td>6 883</td>
<td>1 239</td>
<td>11 169</td>
<td>230</td>
<td>732</td>
<td>0</td>
<td>0</td>
<td>48 930</td>
</tr>
<tr>
<td>Internet</td>
<td>3 838</td>
<td>3 915</td>
<td>1 384</td>
<td>9 561</td>
<td>602</td>
<td>331</td>
<td>214</td>
<td>2</td>
<td>19 850</td>
</tr>
<tr>
<td>Outdoor</td>
<td>17 825</td>
<td>960</td>
<td>0</td>
<td>2 156</td>
<td>0</td>
<td>1 703</td>
<td>0</td>
<td>0</td>
<td>22 645</td>
</tr>
<tr>
<td>Print media</td>
<td>24 354</td>
<td>10 435</td>
<td>7 773</td>
<td>26 145</td>
<td>945</td>
<td>2 313</td>
<td>2 000</td>
<td>4 117</td>
<td>78 085</td>
</tr>
<tr>
<td>Promotional materials</td>
<td>95 042</td>
<td>18 543</td>
<td>13 313</td>
<td>60 651</td>
<td>4 910</td>
<td>1 526</td>
<td>1 526</td>
<td>156</td>
<td>197 260</td>
</tr>
<tr>
<td>Public relations</td>
<td>3 890</td>
<td>816</td>
<td>70</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4 776</td>
</tr>
<tr>
<td>Publications</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>18 053</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>18 053</td>
</tr>
<tr>
<td>Events</td>
<td>9 193</td>
<td>5 667</td>
<td>643</td>
<td>4 355</td>
<td>0</td>
<td>83</td>
<td>0</td>
<td>4</td>
<td>19 947</td>
</tr>
<tr>
<td>Other expenses</td>
<td>31 212</td>
<td>10 305</td>
<td>1933</td>
<td>4 834</td>
<td>564</td>
<td>7 258</td>
<td>147</td>
<td>68</td>
<td>56 325</td>
</tr>
<tr>
<td>Total</td>
<td>218 170</td>
<td>57 766</td>
<td>30 245</td>
<td>156 922</td>
<td>7 253</td>
<td>14 723</td>
<td>4 704</td>
<td>4 348</td>
<td>494 134</td>
</tr>
</tbody>
</table>


Source: Party reports filed with the EPFSC.

Table 8.2. Expenditures on political activities by the four parliamentary parties in Estonia, 2014-15

<table>
<thead>
<tr>
<th>Party</th>
<th>2014, 1st quarter</th>
<th>2014, 2nd quarter</th>
<th>2014, 3rd quarter</th>
<th>2014, 4th quarter</th>
<th>2015, 1st quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Center Party</td>
<td>25 814</td>
<td>250 665</td>
<td>20 011</td>
<td>97 668</td>
<td>900 091</td>
</tr>
<tr>
<td>Reform Party</td>
<td>202 661</td>
<td>474 425</td>
<td>168 827</td>
<td>425 923</td>
<td>1 237 593</td>
</tr>
<tr>
<td>Pro Patria and Res Publica Union</td>
<td>168 021</td>
<td>550 220</td>
<td>72 925</td>
<td>482 696</td>
<td>1 015 314</td>
</tr>
<tr>
<td>Social Democratic Party</td>
<td>98 722</td>
<td>252 187</td>
<td>47 836</td>
<td>185 568</td>
<td>879 588</td>
</tr>
</tbody>
</table>

Source: Party reports filed with the EPFSC.

The results of the 2015 elections showed that although Estonia’s party financing system favours established, parliamentary parties, it is possible for new parties to break in if there is enough popular support behind them. Both the Free Party (mentioned above) and another new party, the Conservative People’s Party, entered into parliament in 2015 with eight and seven seats, respectively. While the Free Party campaigned explicitly on a platform of democratic political reform, the Conservative People’s Party espoused a more Eurosceptic programme, but still called for a broadening of the party system. The fact that together these two parties received nearly 17% of the vote after having spent just EUR 220,000 over the past year (as opposed to over EUR 7 million by the four parliamentary parties), showed that the system was still open to newcomers.

**Transparency and accountability**

Both the campaign expense reports as well as quarterly finance reports submitted by political parties are relatively detailed. Each must itemise their figures into a number of specific categories listed in Table 8.3.

Table 8.3. Categories of information to be provided within party finance reports, Estonia

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Quarterly finance reports</th>
<th>Campaign expense reports</th>
<th>Donations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Advertising, including:</td>
<td>1) Membership dues</td>
<td>1) Administrative costs, including communications</td>
<td>1) The names of individuals donating to the party or independent candidate</td>
</tr>
<tr>
<td>TV</td>
<td>2) State subsidy</td>
<td>2) Salaries and wages paid</td>
<td></td>
</tr>
<tr>
<td>Radio</td>
<td>3) Individual donations</td>
<td>3) Advertising expenses</td>
<td></td>
</tr>
<tr>
<td>Internet</td>
<td>4) Sale of party property</td>
<td>4) Public relations costs</td>
<td></td>
</tr>
<tr>
<td>Outdoor</td>
<td></td>
<td>5) Publications</td>
<td></td>
</tr>
<tr>
<td>Print media</td>
<td></td>
<td>6) Transportation</td>
<td></td>
</tr>
<tr>
<td>Printed materials</td>
<td></td>
<td>7) Rental expenses</td>
<td></td>
</tr>
<tr>
<td>2) Public relations</td>
<td></td>
<td>8) Events</td>
<td></td>
</tr>
<tr>
<td>3) Publications</td>
<td></td>
<td>9) Other expenses</td>
<td></td>
</tr>
<tr>
<td>4) Events</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5) Other expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Political Parties Act (RT I, 12.07.2014, 39), Sections §12(1)(8) and (9), §12(9) and (10), §12(2), §12(8), respectively.

In addition, each entry representing income for parties or campaign donations for individual candidates must state:

1. the date of the receipt of the donation
2. the type of income (mostly for parties: dues, state allocation, donation, sale of property)
3. the name of the payer
4. the personal identification or registry code of the payer
5. the amount of income received.
Meanwhile, each line of expenditure must include:

1. the date of the expense receipt
2. the number of the expense receipt
3. the name of the recipient
4. the personal identification or registry code of the recipient
5. the cost type
6. the price of the cost
7. the cost amount paid
8. the cost amount payable
9. the date of payment.

Lastly, each party must disclose at the end of each quarter a list of all expenses still unpaid as well as the balance sheet of its accounts. Quarterly finance reports must be submitted to the EPFSC by the 10th of the month following the end of a quarter. Campaign finance reports must be submitted no later than one month following an election. All reports must be submitted electronically, using a special spreadsheet prepared by the EPFSC. They must also be signed digitally using Estonia’s digital signature system.4

The entire system is streamlined in such way as to make the reports speedily accessible to the public. Generally within a few days of each deadline, the information is already available on the EPFSC’s website. The database is searchable according to any number of categories, beginning with individual parties and successive elections (including individual municipal elections), but also including the names of donors, the names of expense recipients, the types of expenses and the types of income sources. Media outlets regularly monitor the EPFSC’s website and scrutinise every new reporting period looking for news on large-scale individual donors as well as data on broader trends (Koch, 2015).

A final level of scrutiny involves the annual audits that parties must submit to the E-Business Register. In addition to tax authorities verifying these reports, the EPFSC also examines them and makes public a written analysis of parties’ financial health, drawing attention to those parties that have considerable debt or may otherwise be weak financially and therefore perhaps vulnerable politically.

Needless to say, any reporting system prompts false reporting from time to time. In 2012, the Center Party came under special scrutiny, when its secretary general asked the EPFSC to amend an earlier income report and add a list of EUR 11 030 in donations made to the party in the fall of 2010. Upon closer examination, Estonian authorities began to suspect that the secretary general of the party, Priit Toobal, had faked the receipts certifying these donations, and hence had laundered money for the party. The state prosecutor took the matter to court and in October 2014 Toobal was convicted of falsifying documents. A year later, however, Toobal was still appealing the decision to the Estonian Supreme Court.
**Integrity**

The system that has been developed around the EPFSC is gradually helping to build integrity within the party financing system. The credibility of party finance reports has grown thanks to specific rules for itemisation as well as the procedures for electronic submission. The EPFSC has also gained in stature by starting investigations not only when called upon by individual complaints, but also on the basis of media reports. When a newspaper reported that an Estonian member of the European Parliament (MEP) was using her expense money to rent an office in Tallinn and was sharing that space with her home party in Estonia, the EPFSC examined whether this constituted an illegal in-kind donation to the party. In the event, the Committee concluded that because the MEP was paying the same rent as the party and was also actually using the office space (alongside occasionally allowing her home party to use a room for meetings), this did not constitute a hidden contribution to the party.

Likewise, in November 2014 the Committee investigated a promotional video made by the governing Reform Party, in which Prime Minister Taavi Rõivas was shown at one point walking down a runway at an Estonian airforce base. The video was made even more powerful when producers superimposed a clip of fighter jets streaking above the prime minister’s head. The image of the fighter jets had been obtained from another, unrelated source; they were not Estonian equipment. However, the fact that the prime minister was filmed walking on military territory as part of a party-political advertisement did raise objections that this was an abuse of state resources.

Estonia’s military authorities attempted to stem the controversy by immediately announcing that other parties could also use the military facility if they so desired. This was an attempt to come into compliance with the Political Parties Act that says that if all parties are given access to a particular resource, then its use is not discriminatory. However, eventually the minister of defence forbade any use of military facilities, and it was left up to the EPFSC to decide what to do. Following various queries to individuals involved with the incident, the Committee concluded that the idea for filming the prime minister at the air base came from the producer hired for the video, and there was no sign of the prime minister’s office having exerted any influence on the decision. Therefore the Committee did not find any direct fault with the Reform Party. The Committee did, however, chide the air base’s officials for having allowed the filming in the first place.

**Compliance and oversight**

There are three important levels at which the Estonian Party Funding Supervision Committee contributes to compliance and oversight. The first involves the verification and analysis of finance reports that the EPFSC and its staff conduct on a regular basis. The fact that these reports are scrutinised thoroughly is extremely important in terms of establishing credibility. This includes checking up on cases, where a party, for example, has not paid an invoice for more than six months, and therefore there is a suspicion that the party and supplier have agreed to write off the expense as an in-kind contribution.

Secondly, the EPFSC has extensive powers to demand supplementary information or documents from not only political parties and candidates, but also from whomever else might be involved with an investigation. Hence, the Committee can ask purveyors of services what terms, prices or conditions they may have given to parties when providing their services, whether these services have been paid for, etc. The Committee can also demand to see payment documents or other relevant information.
Thirdly, the Committee can impose administrative penalties or request law enforcement officials to issue criminal fines against individuals and/or parties who violate political finance rules. Administrative penalties can range from EUR 500 to EUR 15,000. Generally these have to do with independent candidates who have not submitted their campaign reports on time, or if a candidate or party does not pay back on time campaign expenses that the Committee has determined to have been improper. Criminal fines can be imposed on candidates and parties if they knowingly submit false information or fail to report required information to the Committee. In these instances, the Committee must pass the complaint on to law enforcement officials, who then pursue the matter according to criminal procedure.

While the EPFSC’s overall authority is clear, this does not mean that all of its decisions go uncontested. During late 2013, the Committee began to scrutinise a series of media campaigns (videos, outdoor banners) launched by the Tallinn City Government that promoted special events or achievements by the city authorities, but that also usually featured the mayor, Edgar Savisaar, as well as many other members of his Center Party, who were all running in the October 2013 municipal elections. The Committee was obliged to investigate, whether these public information campaigns constituted veiled electoral advertising for the Center Party and its candidates prior to an election. If this were the case, the cost of the videos and banners would represent an in-kind contribution to the Center Party by the Tallinn City Government, and the Center Party would be obliged to reimburse the city for these expenses. After a period of investigation, the Committee decided to issue a penalty to Savisaar and several other party members, directing them to pay back the city for these videos and banners. Savisaar and his allies, however, appealed the penalties in court, maintaining that the different activities were part of any city’s responsibility to inform its residents about current affairs. The case promised to have important ramifications, since it would help establish judicial practice in relation to how veiled electoral campaigning could be investigated as well as whether the EPFSC could reach that far.

Another emerging challenge for oversight concerned the appearance of stealth campaigning by third-party groups during the 2015 parliamentary elections. In January 2015, a conservative civil society organisation, the Foundation for the Defense of Family and Tradition, distributed across several regions of Estonia flyers calling on voters not to vote for a number of candidates, who in the previous parliament had voted in favour of a same-sex partnership law, and at the same time it encouraged voters to vote for three particular candidates, who had opposed the partnership law.

While the first aspect of the flyer (i.e. the negative advertising) did not breach any element of campaign financing law, the second dimension in which the foundation was providing positive advertisement for certain candidates did. Under Estonia law this could be considered an illegal campaign contribution, which the candidate in question would have to pay back to the foundation. When asked about this incident by the press, the foundation claimed that it was operating merely as a civil society actor wanting to promote a political message. However, because foundations are also legal persons in Estonia, the group was already in violation of this provision of Estonian law (that bans legal entities from making campaign contributions). And even if it claimed that it was distributing its flyers without any active knowledge or help from the candidates concerned, Estonian law holds the candidates accountable, not the foundation.

The case raised vexing issues in terms of whether candidates in the future might be vulnerable to having non-party groups suddenly campaigning for them without their
approval. Presumably, the incident involving this foundation will serve to create a broader understanding that engaging in such stealth campaigning may not do a candidate or party any favours, if the candidate or party is later forced to pay the cost of the external group’s efforts. Nonetheless, there was plenty of ambiguity in terms of determining what needed to be regulated. As of May 2015, the EPFSC was still examining the matter. In August 2015, the EPFSC asked the Estonian police to charge the foundation with a misdemeanour offence based on the financing law infringements. However, the police authority denied the request, maintaining that because the foundation had included all of the major parties running for parliament on its flyer, this could not be seen as favouring any one of them and therefore could not be considered as campaign advertising. This issue remained unresolved.

Challenges and risks

Estonia’s system of party finance regulation and oversight has evolved gradually over 20 years, and still has a number of grey areas to be resolved. On the one hand, the system rests firmly on the principle of strong public funding for parties, totalling around EUR 5.4 million per year. While few in Estonia argue that public funding should be done away with, many question whether this particular amount of funding is warranted. The reason is that parties spend most of this money on electoral campaigning, and this means that parties spend nearly EUR 7 per voter to get out their message. Some believe this is too much. Limits on campaign spending have never been seriously considered in Estonia.

Secondly, the approach to oversight involves a mixture of party and non-party representatives. While the inclusion of experts in the work of the EPFSC via other state institutions is seen as good, it remains a question whether the prison (i.e. the party finance system) isn’t still being guarded by the inmates (i.e. the parties). Especially given that the number of party representatives grew in April 2015 to six (alongside three experts), the need to ensure that the Committee focuses on more than just party interests remains paramount. This has been a priority of the Committee’s first chair, Ardo Ojasalu (from the Social Democratic Party), and has been reinforced by a very committed staff.

In 2016, parliament will need to renew the mandate of the EPFSC. In the process, it may make certain amendments to the Political Parties Act in order to clarify a few procedural matters that remain open. As it is, the original Political Parties Act from 1994 has been amended nearly 30 times and could stand a complete re-writing in order to clearly lay out the current system. Likewise, parliament will have to review the EPFSC’s own financing. When the Committee was originally created, it did not reckon with having to prepare dozens of legal documents, especially in instances were defendants took the Committee to court. Over the last three years the Committees outlays for legal representation have grown considerably. Making sure that parties in parliament support funding for the EPFSC to continue its work will be essential.
Notes

1. Estonia’s very first procedure for campaign finance reporting (adopted in 1995) required parties to submit to the National Electoral Committee an approximate disclosure of expenses and campaign finance sources, in relation to which, however, the Committee had no formal powers of scrutiny or oversight. It merely received the disclosures and put them on file.

2. Henceforth, parties receiving between 2-3% of the vote during parliamentary would receive annually EUR 30 000, between 3-4%, EUR 60 000 and between 4-5%, EUR 100 000.

3. Elections are formally announced by the president of the republic three months before the election day. However, this announcement is generally a constitutional formality and has little to do with when parties begin their election expenditures.

4. Occasionally this stipulation has caused difficulty, since some independent candidates have either not been in possession of a chip-embedded ID card necessary for digital signatures or they have not been able to come to terms with the electronic spreadsheet. In these cases, EPFSC staff have been ready to help candidates fill out the form at the EPFSC’s office in Tallinn or they have agreed to accept a campaign finance report submitted simply on paper.

5. It was not within the Committee’s jurisdiction to determine whether Edgar Savisaar or other city officials had misused municipal funds by having such videos and banners made so close to an election. Rather, it was to determine whether these municipal expenditures could be interpreted as illicit campaign spending. In January 2015, Estonia’s State Auditing Office did issue a report, in which it alleged that the Tallinn City Government had systematically used city money to stage various public information campaigns just prior to the 2013 municipal elections and that these involved prominent members of the Center Party. However, the Office could merely produce an analysis of the situation; it was up to the EPFSC to issue penalties.
Bibliography


