



FINANCING THE ELECTION CAMPAIGN

Transparency of campaign finance is one of the most important tasks facing by not the Kyrgyz Republic only, but also by many countries worldwide, since citizens want to know where a particular political party or candidate has got money for an election campaign and how they spent it.

In the light of recent cycles of election campaigns, the influence of financial resources on the course of elections has increased as never before, which in turn causes distrust of voters in the election results, since voters form the opinion that only candidates or political parties with significant material resources can receive the cherished deputy mandates.

Transparency of campaign finance is one of the most important tasks facing not only the Kyrgyz Republic, but also many countries of the world, since citizens want to know where a particular political party or candidate has got money for an election campaign and how they spent it.

In the light of recent cycles of election campaigns, the influence of financial resources on the course of elections has increased as never before, which in turn causes distrust of voters in the election results, since voters form the opinion that only candidates or political parties with significant material resources can receive the cherished deputy mandates.

In this regard, the transparency of electoral funds is very important. And if the question of how, where and on what the parties and candidates spend their money is regulated by the law during the elections, and they submit financial reports that are published on the CEC website, then the question of the sources of origin of these very funds in electoral funds remains open. In simple terms, the question of where this or that candidate, political party or voter got the money that he contributes to the election funds remains unknown.

Open bribery of citizens, as well as the abuse of state resources by parties that include current deputies, remain one of the main problems of election campaigns in Kyrgyzstan. This lack of a level playing field hinders the equal participation and representation of all citizens in democratic political processes.

Common Cause Public Foundation (PF), as part of its observation, studied the financing of election campaigns in the cities of Bishkek and Osh, since the transparency of cash flows in political parties and their influence on election results are important and prepared an analysis of the formation and spending of election funds for parties that overcame the 7% barrier cities of Bishkek and Osh.

BISHKEK CITY SUPREME COUNCIL (KENESH)

According to the results of the vote count, during the elections of deputies of the Bishkek City Kenesh on April 11, 2021, the following parties crossed the 7% threshold: Emgek – 13.87%, Ak Bata – 12.15%, NDPK– 10.7%, Ata Zhurt Kyrgyzstan – 9.63%, Bizdin El – 7.73%, and Yntymak – 8.3%.

At the same time, the formation of the electoral funds of these political parties looked like this:

| Political Party | The Party's Own Funds | Candidates' Own Funds | Donations from Citizens | Contributions of legal entities |
|-----------------|-----------------------|-----------------------|-------------------------|---------------------------------|
| Emgek | 500 000 | 3 427 986 | 8 761 210,11 | 78 750 |
| Ak-Bata | 50 100 | 4 676 874 | 7 396 688 | - |
| NDPK | 500 000 | 2 941 155 | 4 567 120 | - |
| Ata-Zhurt | 52 000 | 4 996 500 | 2 476 505 | - |
| Kyrgyzstan | | | | |
| Bizdin El | 60 000 | 1 124 200 | 592 390 | - |
| Yntymak | 338 600 | 1 953 300 | 5 493 590 | - |

A detailed analysis of electoral funds for each political party carried out by the Common Cause PF showed the following.

EMGEK POLITICAL PARTY

REVENUES OF THE PARTY

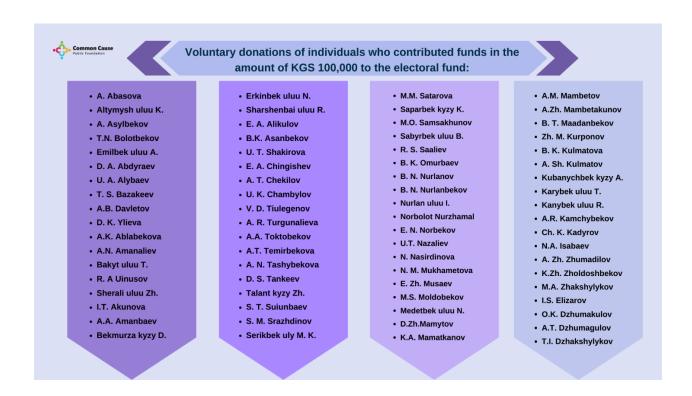
The electoral fund of the party was replenished due to:

- √ the party's own funds in the amount of KGS 500,000;
- √ 35 candidates contributed KGS 3,427,986;
- √ 78 individuals contributed KGS 8,761,210;
- √ 1 legal entity has contributed funds in the amount of KGS 78,750.

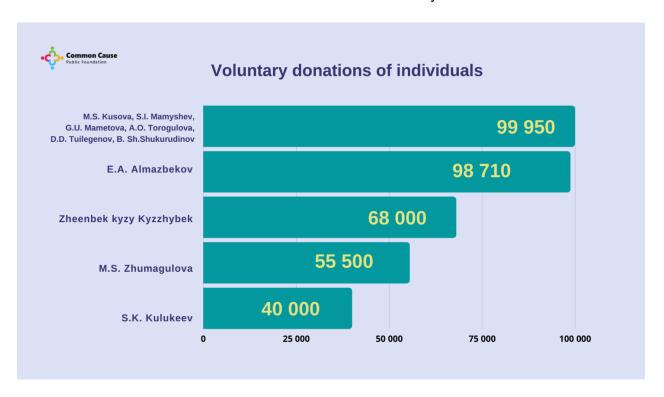
The total amount of funds received by the Electoral Fund of the Party amounted to KGS 12,767,946.

Voluntary donations from individuals

A significant group of donors - individuals contributed KGS 100,000 to the electoral fund:

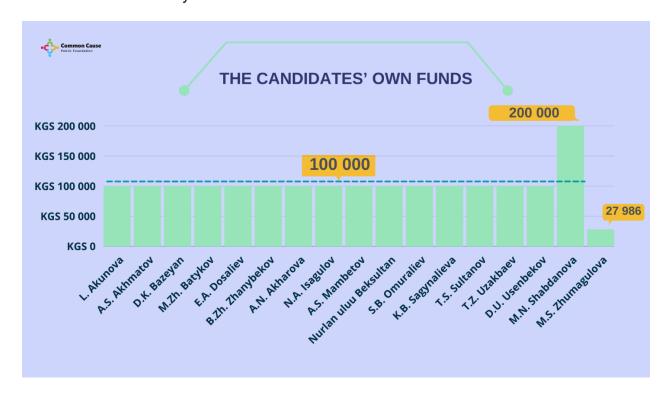


The rest of the individuals contributed the amount of money in a smaller amount:



Basically, the candidates on the list of the Emgek political party held leading positions in private structures. For example, B. Aydyraliev - CEO of the "TOP Design Group" architectural and design studio of the Dordoi Association; U. Niyazaliev - director of Best Rent LLC, company profile renting out own real estate. Sharshenbai uulu R. - Director General of A.S. Dordoi ". Altymysh uulu K. - Director of Art Driim LLC, company profile development of construction projects. U.Chambylov - Director of Dobos LLC, company profile wholesale non-specialized trade. Z. Alikulov - Director of Asia Resource LLC, company profile - wholesale non-specialized trade. E. Chingishev - Director of

Enterprise Express LLC, company profile - wholesale non-specialized trade. D. Abdyraev - Director of Asmanych LLC, company profile other publishing activities. A. Zhumadilov – Director General of Salymbekov Business School.



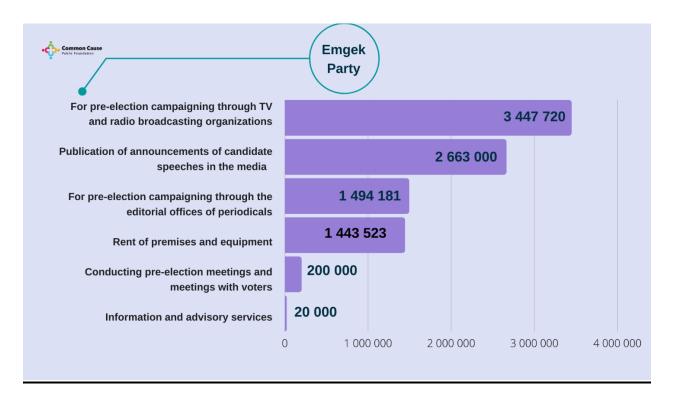
It should also be noted that a voluntary contribution was made to the fund of a political party from one legal entity - the City of Coffee LLC in the amount of KGS 78,750.

It should be noted that a number of candidates are listed as unemployed (labour activity is indicated as unemployed, for example, A. Nazyrov, M. Zhumagulova and K Sagynalieva). However, at the same time, they were able to contribute the amount of KGS 100,000 to the Electoral Fund.

Also, as contributors to the electoral funds were municipal and civil servants, who contributed KGS 100,000 each (for example, the leading specialist of the City Council A. Ashimov and the director of the Leninsky District State Tax Inspection ServiceA. Amanbaev.

PARTY'S EXPENSES

In general, the Emgek party spent KGS 12.7 million for the election campaign, which is 94%.



AK BATA POLITICAL PARTY

PARTY'S REVENUES

The Electoral Fund was replenished with the following funds:

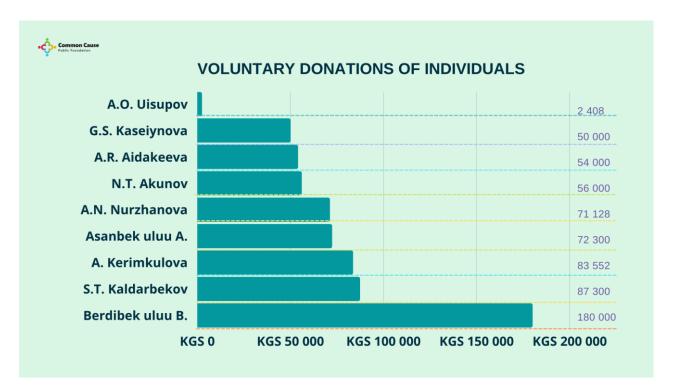
- √ the party's own funds in the amount of KGS 50,100;
- √ 52 candidates contributed KGS 4,676,874;
- √ 77 individuals contributed KGS 7,396,688.

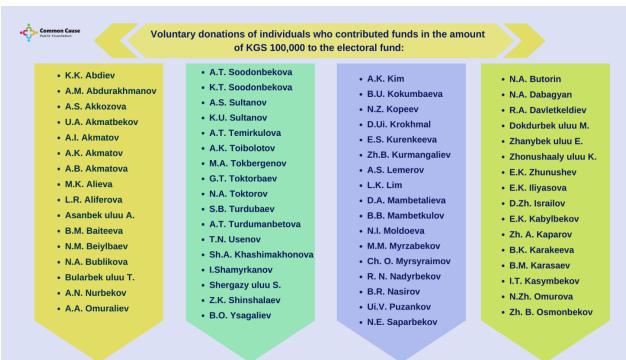
The total amount of funds received by the Electoral Fund of the Party amounted to KGS 12,278,662.

Basically, voluntary contributors to the electoral fund of the party were leaders of large and medium-sized businesses, who contributed KGS 100,000 each. For example, Zh. Kurmangaliev is the director of the Shirin cafe. Osmonbekov Zh. - Director of the Raduga travel company. B. Mambetkulov - Director of MostAvtoDorStroy (Bridge Motor Road Construction) LLC, company profile includes construction of highways. D. Mambetalieva - Director of Zhama Club LLC, company profile includes other activities in the field of education, not included in other groups. K. Emilbaev - Director of Hydro Sphere, N. Moldoeva - Director of Azizi Capital Invest LLC, company profile includes activities of trust companies, investment funds and similar financial organizations. D. Israilov - Director of PromAlpStroy, company profile includes other construction and installation works not included in other groups.

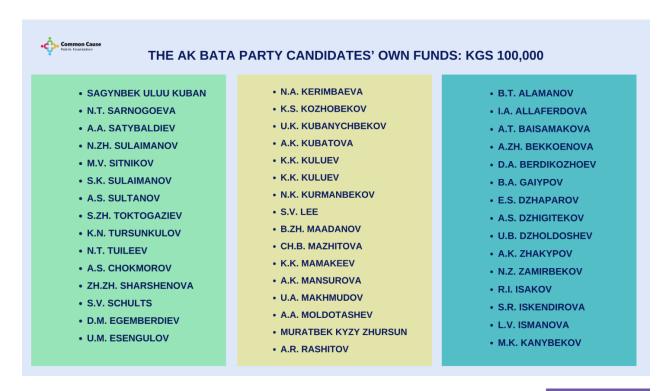
Also among the voluntary contributors, there are civil servants. For example, ex-deputy secretary of the Security Council of the Kyrgyz Republic Zh. Kaparov.

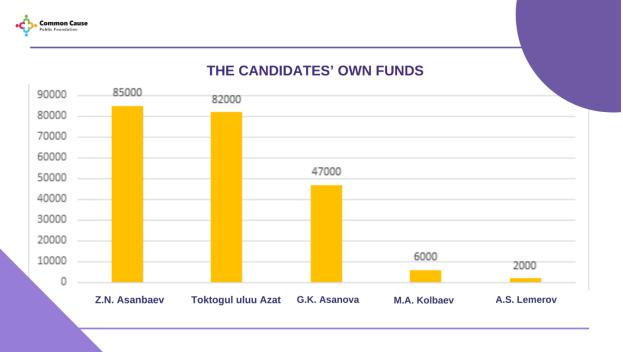
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Also, candidates for deputies are heads of large and medium-sized businesses, as well as former and current municipal and government officials, who also contributed 100 thousand soms. For example, A. Lemerov - Director of FTF GROUP LLC. Company profile includes activities of freight road transport.





In general, the Ak Bata party spent KGS 10 million for the election campaign, i.e. 64%.

NDPK Party

REVENUES OF THE PARTY

The Electoral Fund of the Party was replenished due to:

- √ the party's own funds in the amount of KGS 50,100;
- √ 52 candidates contributed KGS 4,676,874;
- √ 77 individuals contributed KGS 7,396,688.

The total amount of funds received by the Electoral Fund of the Party amounted to KGS 8,030,275.

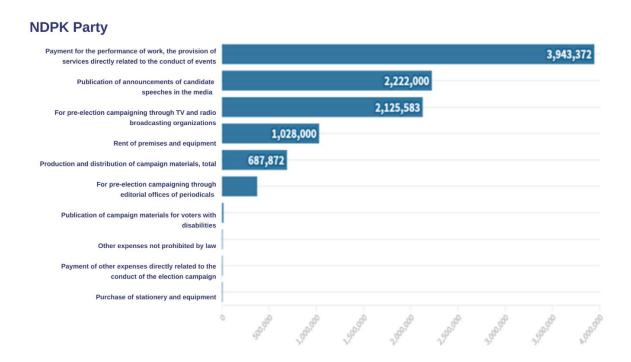


The lists of contributing individuals include a current deputy of the Jogorku Kenesh of the Kyrgyz Republic from the Bir Bol faction D. Bakchiev, who contributed KGS 100,000. The leaders of large and medium-sized businesses contributed KGS 100,000 to the NDPK party's piggy bank. For example, O. Abdinazarov - director of Osmon Group, the profile of the company is the activity of agents in the wholesale trade of a wide range of goods. R. Usubakunov - Director of the Institute for Production and Protection of Wildlife, company profile with foreign participation, breeding of other animals. A. Zhogoshtieva - ex-judge of the Oktyabrsky district. E. Bayzhigitov - Director of Medor LLC, company profile - wholesale non-specialized trade.

B. Meimanbekov, designer in the Topol Central Asian Project, contributed KGS 67,120.



In general, the NDPK party spent KGS 7.8 million on the election campaign, i.e. 98%.



ATA ZHURT KYRGYZSTAN PARTY

REVENUES OF THE PARTY

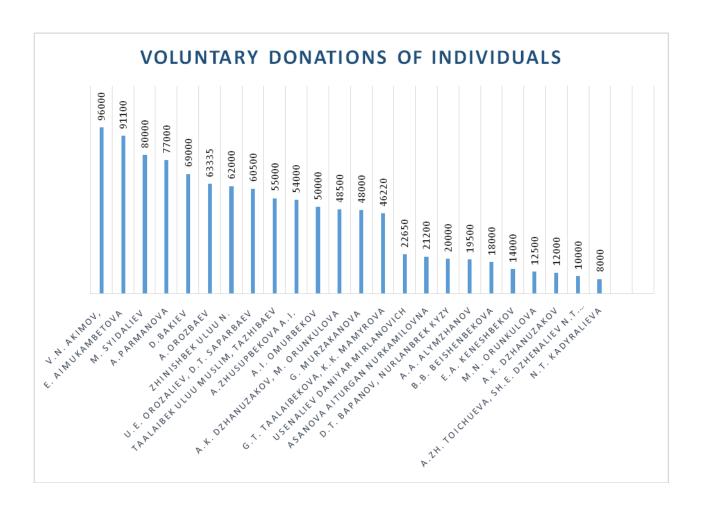
The Electoral Fund of the Party was replenished due to:

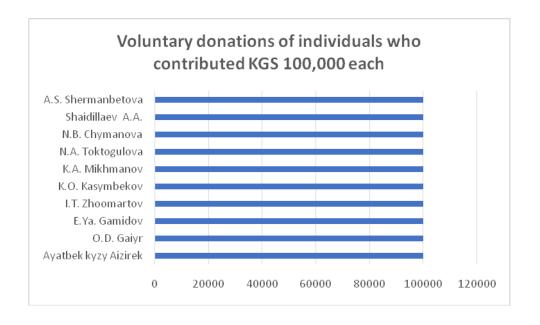
√ the party's own funds in the amount of KGS 52,000;

- √ 51 candidates contributed KGS 4,996,500;
- √ 40 individuals contributed KGS 2,476,505.

The total amount of funds received by the Electoral Fund of the Ata Zhurt Kyrgyzstan party amounted to KGS 7,585,005.

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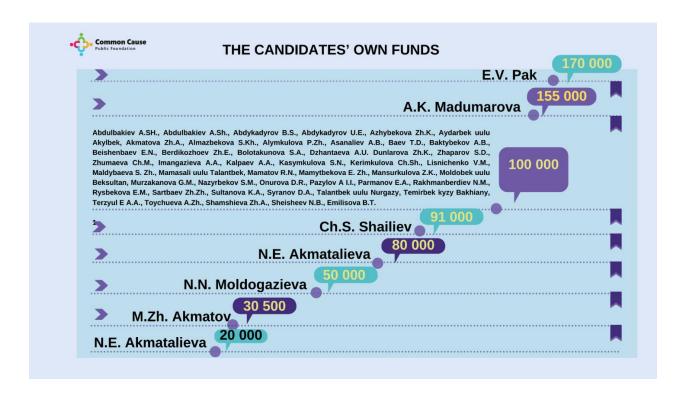




Among the volunteer contributors, there were company executives. For example, A. Alymzhanov - director of Habib Asia LLC, company profile - activities of trust companies, investment funds and similar financial organizations. K. Kasymbekov - Director of Gumat Terra LLC, company profile - production of fertilizers and nitrogen compounds. A. Omurbekov - director of the security agency Aksai Security. G. Taalaibekova - Director of the Vkus Issyk-Kul Joint Kyrgyz-Russian LLC, company profile includes other methods of processing and preserving fruits and vegetables. D. Bakiev - Director of Complex Group LLC, company profile includes installation of other equipment not included in other groups. M. Syydaliev - Director of Yuzhny Capital LLC, company profile includes wholesale non-specialized trade.

Also among the voluntary contributors, there were authorized representatives of parties and candidates. For example, A. Orozbaev is the authorized representative of the presidential candidate Sadyr Zhaparov and N. Kadyraliev, the authorized financial representative of the presidential candidate Sanzharbek Ennazarov.

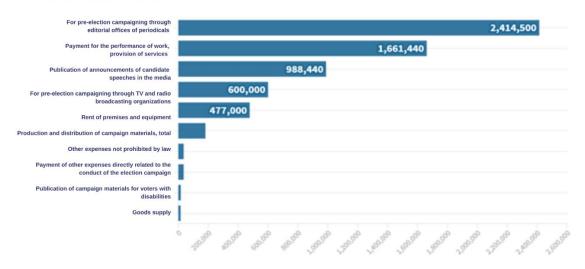
A contribution to the Electoral Fund was also made by the candidate for deputies of the Jogorku Kenesh of the 7thconvocation according to the list of the Mekenchil party A. Pirmanov..



EXPENSES OF THE PARTY

The total amount of expenses for the pre-election campaign amounted to KGS 7.5 million, i.e. 94%.

ATA-ZHURT PARTY



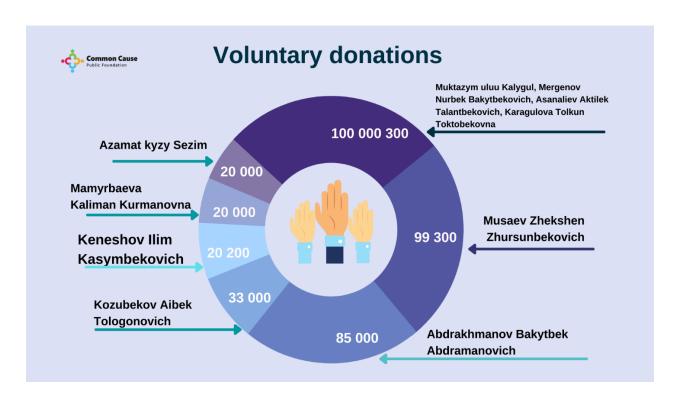
BIZDIN EL POLITICAL PARTY

REVENUES OF THE PARTY

The Electoral Fund of the Party was replenished due to:

- √ the party's own funds in the amount of KGS 60,000;
- √ 15 candidates contributed KGS 1,124,200;
- √ 15 individuals contributed KGS 592,390.

The total amount of funds received by the Electoral Fund of the Party amounted to KGS 1,860,590.

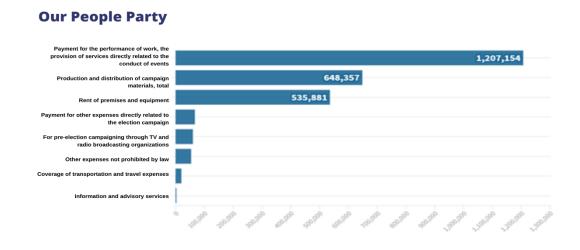


Voluntary donations

B. Muratbekov - director of Ali Jalil LLC, company profile includes activities of freight road transport, A. Asanaliev - member of the "Party of Initiative Youth" replenished the Electoral Fund.



The total amount of expenses for the pre-election campaign amounted to KGS 1.6 million, i.e. 89%.



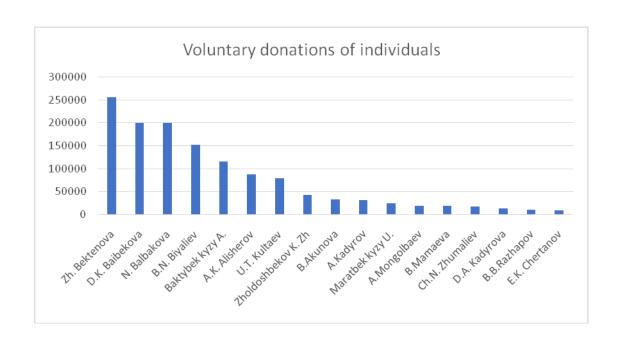
YNTYMAK PARTY

REVENUES OF THE PARTY

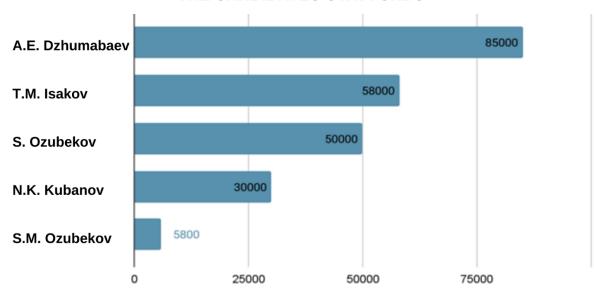
The Electoral Fund of the Party was replenished due to:

- √ the party's own funds in the amount of KGS 338,600;
- √ 23 candidates contributed KGS 1,953,300;
- √ 69 individuals contributed KGS 5,493,590.

The total amount of funds received by the Electoral Fund of the Party amounted to KGS 7,839,470.







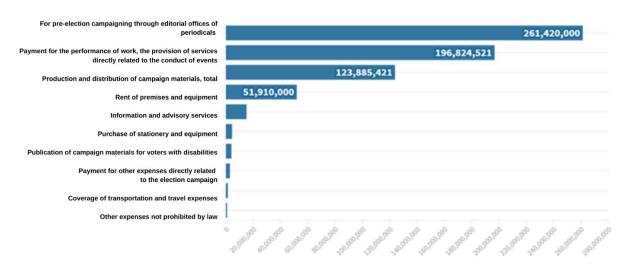
Among the volunteer contributors, there were managers of large and medium-sized businesses. For example, B. Biyaliev - director of Chuistroy LLC, company profile - construction of residential and non-residential buildings. B. Akunova - Director of China Pro LLC, company profile - wholesale non-specialized trade. R. Kushchiev - Director of Trianon-Protection Security Agency LLC (Trianon-Protection). B. Sulaimanov - Director of Armax Trade LLC, company profile includes wholesale non-specialized trade. A. Satarov - Director of Global Scale LLC, company profile - provision of services for tourist accommodation. M. Alkanov - Director of A Kvadrat LLC, company profile - wholesale non-specialized trade. Madyshanova M. - Director of Euro Asia Truck Logistics LLC, company profile - activities of freight road transport.

Also, proxies and candidates of different parties that participated in the parliamentary elections in 2020 contributed money to the party's fund. For example, A. Alisherov, a confidant of the Ata Meken Party in the parliamentary elections, and E. Chertanov, candidate No. 57 of the Respublika Party (he was listed as unemployed in the party's list).

EXPENSES OF THE PARTY

The total amount of expenses for the pre-election campaign amounted to KGS 7.6 million, i.e. 75%.

YNTYMAK PARTY



According to the CEC (Central Election Committee) of the Kyrgyz Republic, published on the website https://talapker.shailoo.gov.kg/, the leader among the parties in terms of the amount of funds raised to Election Funds as of April 20, 2021 included the Emgek Political Party, which managed to attract about KGS 12.7 million, of which KGS 8.8 million included donations from citizens and one legal entity. Of the above, the party spent KGS 12 million. The balance at the end of the reporting period amounted to KGS 724,726.

As a result of voting on April 11, 2021, 18,493 voted for the Emgek Political Party. On average, the party spent KGS 686 per voter.

The second place belongs to Ak Bata, as this party managed to attract KGS 12.3 million, including contributions from citizens amounted to KGS 7.3 million, of these, over KGS 10 million were spent on the election campaign. The balance at the end of the reporting period amounted to KGS 1,891,798.

16 381 voters voted for the Ak Bata party. On average, the party spent KGS 750 per voter.

The third place in terms of revenues belongs to Yntymak: KGS 7.8 million, of these, KGS 5.5 million include voluntary contributions from citizens, of these, over KGS 7.6 million were spent on the election campaign. The balance at the end of the reporting period amounted to KGS 193,617.

11,122 voters voted for the Yntymak party. On average, the Party spent KGS 701 from the Electoral Fund per 1 voter.

Ata-Zhurt Kyrgyzstan party has slightly less than Yntymak in terms of revenues–KGS 7.6 million, citizens' contributions amounted to KGS 2.5 million, of these, over KGS 7.5 million were spent on the election campaign. The balance at the end of the reporting period amounted to KGS 54,100.

12,816 voters cast their votes for the Ata-Zhurt Kyrgyzstan party. On average, 1 voter pf the party cost KGS 593.

The Bizdin El party closes the group, with its KGS 1.8 million in the Electoral Fund of the party, of these, KGS 592,000included contributions from citizens. Over KGS 1.6 million were spent on the election campaign. The balance at the end of the reporting period amounted to KGS 211,742. 10,374 voters voted for the Bizdin El party. On average, the party spent the least on 1 voter –KGS 173.

OSH CITY SUPREME COUNCIL (KENESH)

During the elections of deputies of the Osh City Kenesh on April 11, 2021, the Ata Zhurt Kyrgyzstan party received an absolute majority of votes in Osh, as a southern capital city - 47.99%, followed by Uluttar Birimdigi - 17.99%, Yiman Nuru - 8.11% and Yntymak - 7.36%.

At the same time, the formation of the Electoral Funds of these political parties looked like this:

| Political Party | The Party's Own Funds | Candidates' Own Funds | Donations from Citizens | Contributions of legal entities |
|-------------------|-----------------------|--------------------------|-------------------------|---------------------------------|
| Ata-Zhurt | 50 150 | 3 995 070 | - | - |
| Kyrgyzstan | | | | |
| Uluttar Birimdigi | 520 000 | 1 970 780 | - | - |
| People's Party | | | | |
| Yiman Nuru | 51 950 | 1 330 020 | - | - |
| Yntymak | 342 520 | 119 300 | 1176 83 | - |

ATA-ZHURT KYRGYZSTAN PARTY

REVENUES OF THE PARTY

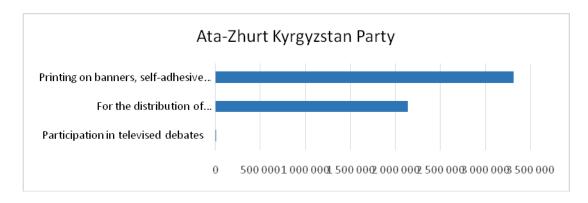
The Electoral Fund of the Party was replenished due to:

- √ the party's own funds in the amount of KGS 50,150;
- √ 52 candidates contributed KGS 3,995,070;
- √ There were no donations from individuals and legal entities.

The total amount of funds received by the Electoral Fund of the Party amounted to KGS 4,045,220.



The total expenditures of the Ata Zhurt Kyrgyzstan political party for the election campaign amounted to KGS 4 million, i.e. 100%.



ULUTTAR BIRIMDIGI (PEOPLE'S) Party

REVEUES OF THE PARTY

The Electoral Fund of the Party was replenished due to:

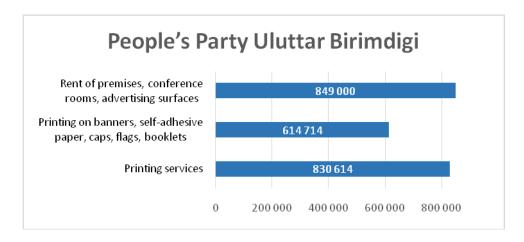
- √ the party's own funds in the amount of KGS 520,000;
- √ 52 candidates contributed KGS 1,970,780;
- ✓ There were no donations from individuals and legal entities.

The total amount of funds received by the Electoral Fund of the Party amounted to KGS 2,560,780.





In total, the party spent 99.95% of its Electoral Fund for the election campaign.



YIMAN NURU PARTY

REVENUES OF THE PARTY

The Electoral Fund of the Party was replenished due to:

- √ the party's own funds in the amount of KGS 51,950;
- √ 19 candidates contributed KGS 1,330,020;
- √ There were no donations from individuals and legal entities.

The total amount of funds received by the Electoral Fund of the Party amounted to KGS 1,381,970.



In general, over KGS 1,379,845 were spent for the election campaign, i.e. 99.84%.

Yiman Nuru Party

| Filming | 724633.6 |
|--|----------|
| Payment for printing on a banner, installation | 253290 |
| Rent of premises, conference rooms | 133000 |

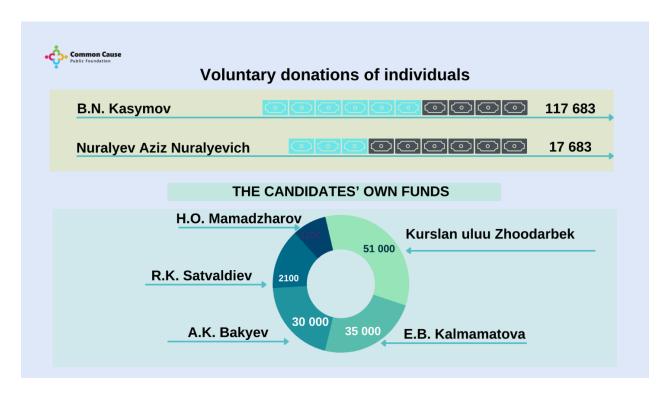
YNTYMAK PARTY

REVENUES OF THE PARTY

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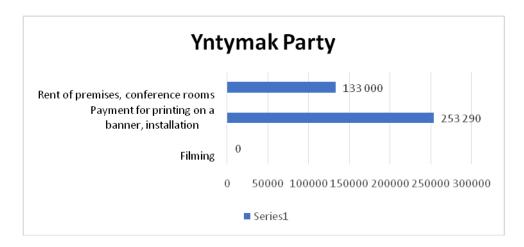
- √ the party's own funds in the amount of KGS 342,520;
- ✓six (6) candidates contributed KGS 119,000;
- √ donations from individuals amounted to KGS 117,683.

The total amount of funds received by the Electoral Fund of the Party amounted to KGS 579,503.



On average, candidates contributed KGS 19,883. Candidates for deputies Kurslan uulu Zhoodarbek contributed KGS 51,000, Aidar Kurmanbekovich Bakiyev, Eliza Bakalbaevna Kalmamatova – KGS 30,000 each.

In total, the Yntymak Party spent KGS 578,503 for the election campaign, which is 99.82%.



According to the CEC of the Kyrgyz Republic, published on the website https://talapker.shailoo.gov.kg/, the leader among the parties in terms of the amount of funds raised to election funds in Osh included the Ata-Zhurt Kyrgyzstan party, which managed to attract about KGS 4,045,220, of these, KGS 3,995,070 were the candidates' own funds and KGS 50,150 were the funds of the party itself. Of the above, the party spent KGS 4,043,277 for the election campaign. The balance at the end of the reporting period amounted to KGS 1,943.

As a result of voting on April 11, 2021, 33,906 voters voted for the Ata-Zhurt Kyrgyzstan party. On average, 1 votercostKGS 131 forthis party.

The second place belongs to the People's Party (Uluttar Birimdigi), which managed to collect KGS 2,560,780, of these, KGS 1,970,780 were the candidates' own funds and KGS 520,000 from the party itself. Of the above, the party spent KGS 2,559,584. The balance at the end of the reporting period amounted to KGS 1,196.

As a result of voting on April 11, 2021, 12,534 voters voted for the People's Party of Uluttar Birimdigi spending KGS 204 per voter on average.

The third place belongs to Yiman Nuru, which managed to collect KGS 1,381,970, of these, KGS 1,330,020 included the candidates' own funds and KGS 51,950 were the funds of the party itself. Of the above, the party spent KGS 1,379,845 for its election campaign. The balance at the end of the reporting period amounted to KGS 2,125.

5,712 voters voted for the party. On average, the one vote cost KGS 241 for this party.

The last place was taken by the Yntymak party, which had KGS 579,503 in its Electoral Fund, of these, KGS 119,300 included the candidate's own funds, KGS 342,520 were the party's own funds, and KGS 117,683 were citizens' contributions. Over KGS 578,503 were spent for the election campaign. The balance at the end of the reporting period amounted to KGS 1,000.

The smallest number of voters voted for the Yntymak party. In total, 4,984 voters cast their votes for the party. 1 vote for this party cost KGS 116.

CONCLUSION

Based on the results of the analysis of the formation and expenditure of electoral funds of political parties in the cities of Bishkek and Osh during the elections on April 11, 2021, the Public Foundation Common Cause notes that, in general, an analysis of the financing of election campaigns of political parties and candidates showed that the lack of universal declaration of income and expenditures of the population creates a number of obstacles in the course of monitoring the finances of electoral funds.

Thus, the existing system does not allow tracing the sources of origin of funds of persons who contribute to the election funds of candidates. In addition, the amendments made in November 2020 to the electoral legislation, in terms of allowing free provision of services by agitators and representatives of candidates, political parties, contradict other norms of electoral legislation.

The problem of accounting for the expenses of candidates and political parties in the course of the election campaign also remains topical. So, it is no secret that a significant part of the expenses of some parties was directed, for example, to bribing voters, holding various kinds of events that were not reflected in the official reports of the party, etc.

To resolve these problems, the PF Common Cause offers:

- ✓ In the absence of a universal declaration of income and expenses, provide for mechanisms to disclose the sources of the origin of funds contributors to electoral funds, including for candidates and the political parties themselves. One of the mechanisms for such disclosure in relation to candidates may be the obligation to provide the latter with information on income, expenses, property of the candidate and his close relatives at the stage of nomination.
- ✓ Provide detailed reporting forms for candidates and political parties on income and expenses. At the same time, holes should be introduced for political parties obliging parties to submit financial statements once a year, including during the inter-election period. In this case, it will at least be possible to trace the funds of the party.
- ✓ In order to prevent abuse of spending money from electoral funds, one should consider the possibility of introducing a procedure for mandatory non-cash payments between parties, candidates and individuals, since the current electoral legislation establishes a mandatory non-cash procedure for payments only with legal entities.
- ✓ As the election results showed, a low turnout indicates the problem of a low level of public trust. Parties do not always act in the interests of ordinary citizens. Addressing this lack of support from the general public is a complex challenge that requires action in many areas. In many cases, increasing transparency about how parties and candidates raise and spend money is an important step. Political parties and candidates are encouraged to include the policy framework for political finance in their policy documents.
- ✓ Parties are encouraged to ensure transparency in the application of internal party procedures and to pay particular attention to financial reporting and its communication to the public. A very important element of this work is to demonstrate exactly how parties prevent illegal financing.
- ✓ The Public Foundation Common Cause also suggests considering the possibility
 of providing financial support to women candidates reducing the fees for
 nomination and subsidized coverage of their activities in the media. Parties should

also be encouraged to consider the possibility of creating an intra-party fund for targeted funding of the activities of women candidates.

