



European Commission United Nations Development Programme International IDEA

Project Budget and Electoral Cycle Budget

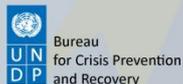
*Rushdi Nackerdien
International IDEA*

*Barcelona, 22-26 March,
2010*

Organized within:



With the support of:



Partners:





Independent Model

Mixed Model

Governmental Model

Part 1 - Attachment III. Cost concepts, definitions and measures

Core costs are the costs for human and material resources that are fundamental to conducting a registration or electoral event.

Diffuse costs are the costs of services that are essential to the conduct of registration and elections, but which are budgeted with other public agencies or departments and not shown directly in the budget of the election management body.

Direct costs are the costs that are directly budgeted by the election management body (EMB) for registration and elections.

Election cost/profile variables are tools of financial analysis for EMBs that blend operational and financial data as performance measurements: 1) headquarters staff to registered voters, 2) poll workers to registered voters, 3) budget to registered voter and 4) capitalization indicator. Ratio 1 measures the relative size of the headquarters operation required to service the electorate; Ratio 2 measures the relative number of poll workers required to service a polling station; Ratio 3 compares the budget of the EMB to the size of the electorate (variations can include diffused costs); and Ratio 4 is an indicator of the level of capital investment required to operate an EMB.

Fixed costs are the process-driven costs associated with maintaining and electoral infrastructure whether elections are conducted or not.

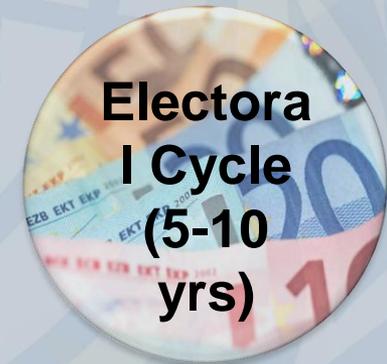
Funding sources are the entities dispersing the funds or providing the services for the EMB's budget and activities.

Integrity costs are the extra and often un-trackable costs occurring in transitional and post-conflict electoral processes, which are required to ensure transparency, functionality and security.

Variable costs are the event-driven costs that occur as a result of registration for election activities.



Types of Budgeting...



LEVEL OF COMPLEXITY

ΓΕΛΕΓ ΟΕ ΣΩΜΓΕΧΙΛΛ

A close-up photograph of a man with glasses, wearing a dark shirt, leaning over a table. He is carefully counting several stacks of gold coins. To his left, a clear plastic container is overflowing with more gold coins. The lighting is dramatic, highlighting the texture of the coins and the man's focused expression.

Budget formulation: 2 main approaches

Baseline budgeting

A budget proposal according to financial figures extracted from previous budgetary operations (history)

Zero-base budgeting

A budget proposal without reference to any previous exercises (blank page)

Public Sector Tradition?



The shift over time?



**Zero-Base
Budgeting**

**Baseline
Budgeting**

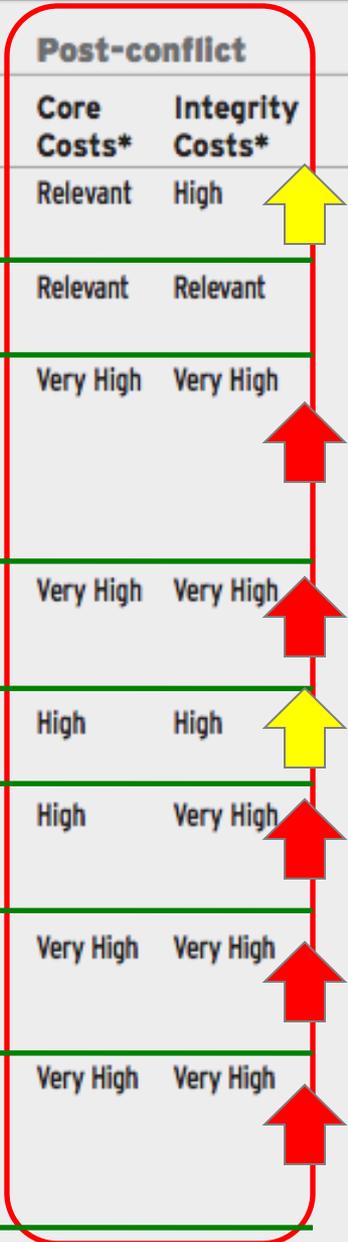
1st Elections

4th Elections



Part 1 - Table 1. Election Costs in Stable, Transitional and Post-Conflict Democracies

	Stable		Transitional		Post-conflict	
	Core Costs*	Integrity Costs*	Core Costs*	Integrity Costs*	Core Costs*	Integrity Costs*
Voter Registration	High	Not Relevant	High	Relevant	Relevant	High
Boundary Delimitation	Relevant	Not Relevant	Relevant	Not Relevant	Relevant	Relevant
Voting : Operation Materials, logistics training	Very High	High	Very High	Very High	Very High	Very High
Counting and Transmission of Results	High	Not Relevant	Relevant	High	Very High	Very High
Dispute Adjudication	Relevant	Not Relevant	High	Not Relevant	High	High
Voter Education & Information	High	Not Relevant	Very High	High	High	Very High
Campaigning by Political Parties	Very High	Not Relevant	High	Very High	Very High	Very High
Vigilance: Party Agents Domestic Monitors International Observers	High	Not Relevant	Very High	Very High	Very High	Very High



* Cost categories include direct and diffuse costs.



Comparative Data Cost of Registration & Elections

Stable Democracies: 1-3 \$

Chile		1,2 \$
Costa Rica	1,8 \$	
Brazil		2.3 \$
Botswana	2,7 \$	
India		1,0 \$

Transitional Democracies: 3-8\$

Mexico		5,9 \$
El Salvador	4.1 \$	
Paraguay	3,7 \$	
Lesotho		6,9 \$
Uganda		3,7 \$

Post Conflict Elections in Peace Keeping Environment: 8-45 \$

Angola	1992	22.0 \$
Cambodia	1993	45,5 \$
Mozambique	1994	10.2 \$
Afghanistan	2004	20,0 \$
Haiti	2005	11,0 \$

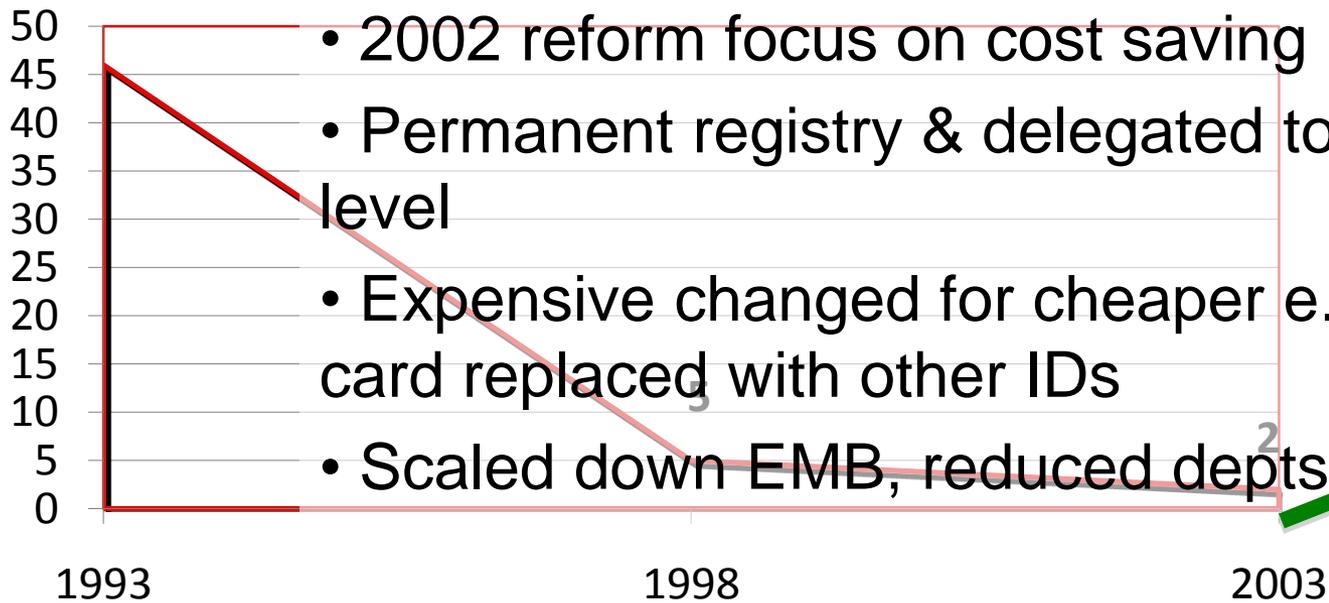


Cost Trends in Post-Conflict Countries

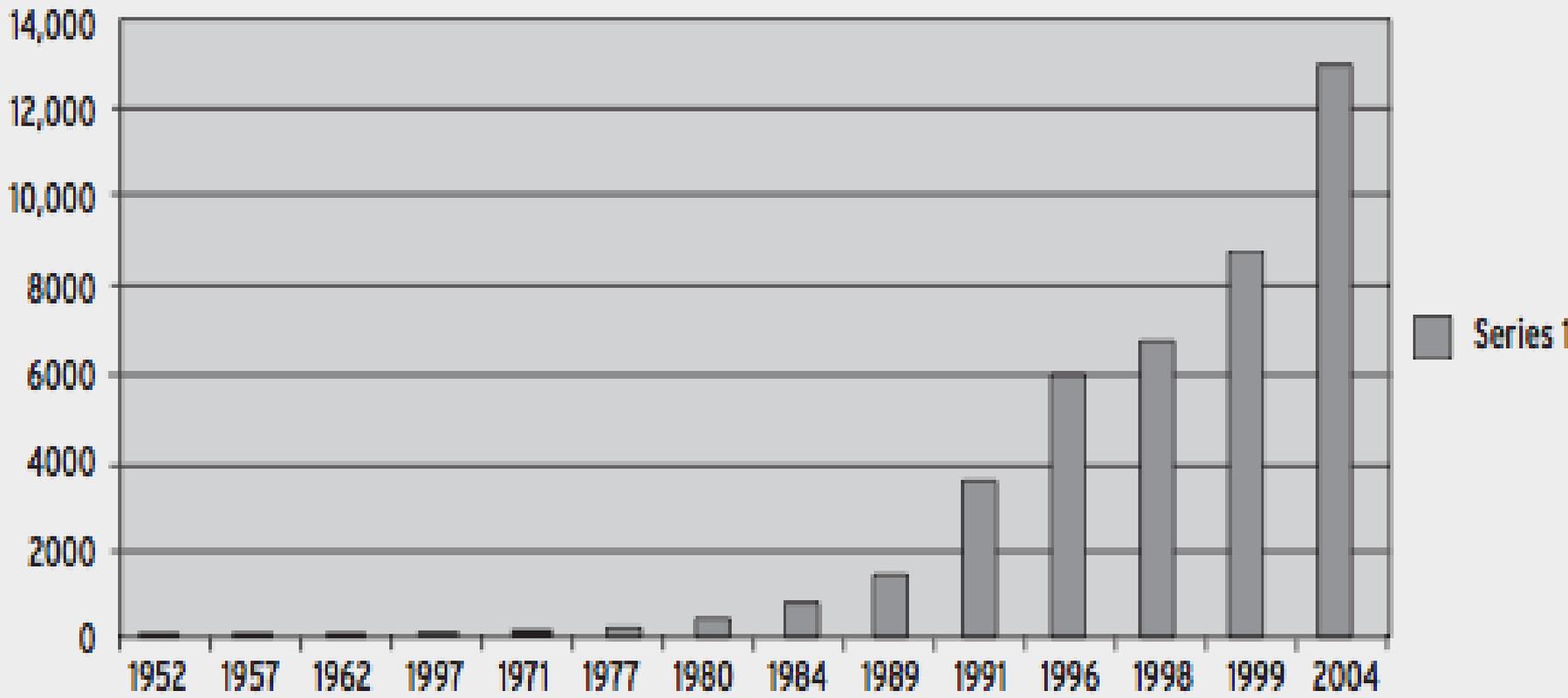
US \$ Cambodian Elections

46

- Pride: Non-reliance on external funds
- Drop in assistance: \$19m to \$6m
- 2002 reform focus on cost saving
- Permanent registry & delegated to local level
- Expensive changed for cheaper e.g. Voter card replaced with other IDs
- Scaled down EMB, reduced depts **?**



INDIA 1952-2004





How to Assess Costs?

- **Define** the political context (stable, transitional, post-conflict?)
- Legal **Framework**: EMB Model, Electoral System, Electoral Calendar
- **Evaluate** if an election year's electoral budget is covering one/several elections; held simultaneously or separately, or post election capacity building activities
- **Separate** ordinary functioning fixed costs (regardless of conduct of elections) from variable costs (related to conduct of elections) and distinguish between personnel and operational costs
- **Quantify** direct costs as accurately as possible, and estimate diffuse costs based on contextual figures/best-guesses.
- Identify list of election-related **activities** in line with electoral cycle, e.g. VR, VE, boundary delimitation, the polling operation, dispute adjudication, Political Parties and candidates etc.
- Identify the funding **source** for each cost category

Table 8: Potential Cost and Administrative Implications of 12 Electoral Systems

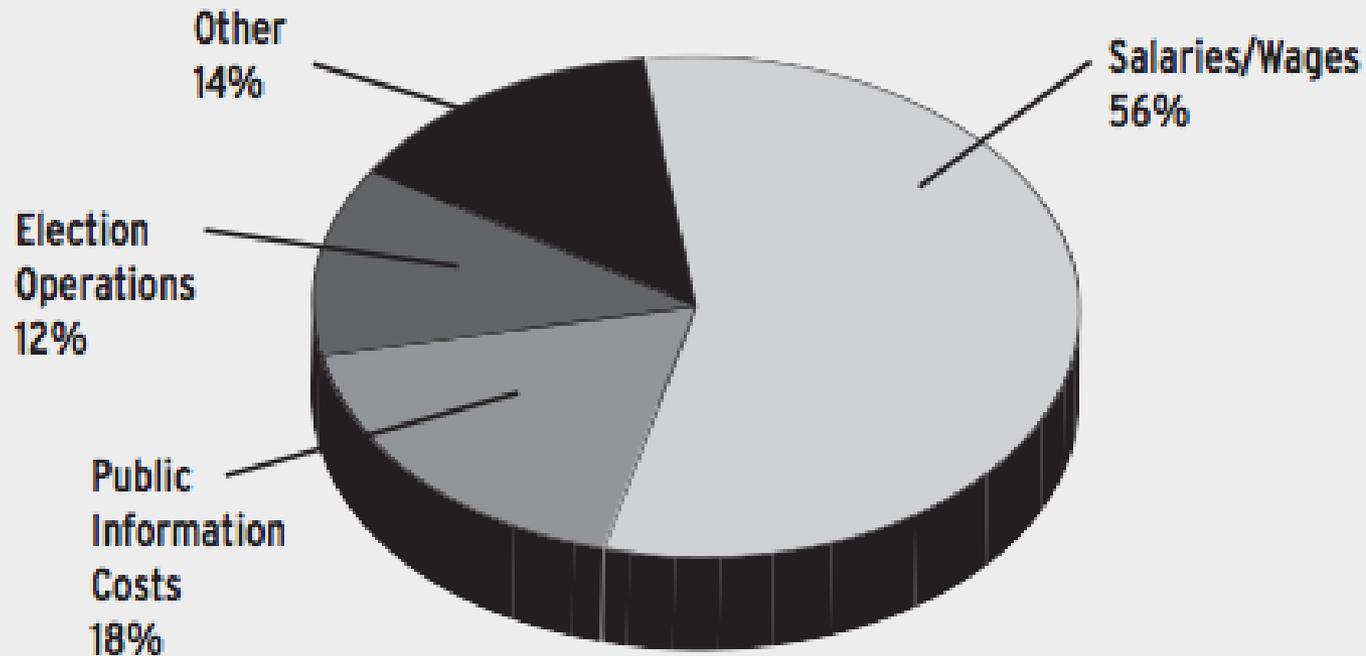
	Drawing Electoral Boundaries	Voter Registration	Ballot Paper Design and Production	Voter Education	Number of Polling Days	By-elections	The Count
FPTP	🔴	🔴	😊	😊	😊	🔴	😊
BV	😐	😐	😐	😐	😊	🔴	😐
TRS	🔴	🔴	🔴	😐	🔴	🔴	😐
AV	🔴	🔴	😊	🔴	😊	🔴	😐
PBV	😐	😐	😊	😊	😊	😊	😊
List PR	😊	🔴	😐	😐	😊	😊	😊
STV	😐	😐	😐	🔴	😊	🔴	🔴
Parallel	😐	🔴	😐	😐	😐	😐	🔴
MMP	😐	🔴	😐	🔴	😐	😐	🔴
BC	😐	🔴	😐	🔴	😊	🔴	😐
SNTV	😐	😐	😐	😊	😊	🔴	😊
LV	😐	😐	😐	😐	😊	🔴	😐

Key: 😊 = Low cost and complexity; 😐 = Medium cost and complexity; 🔴 = High cost and complexity.



Largest Budget Items

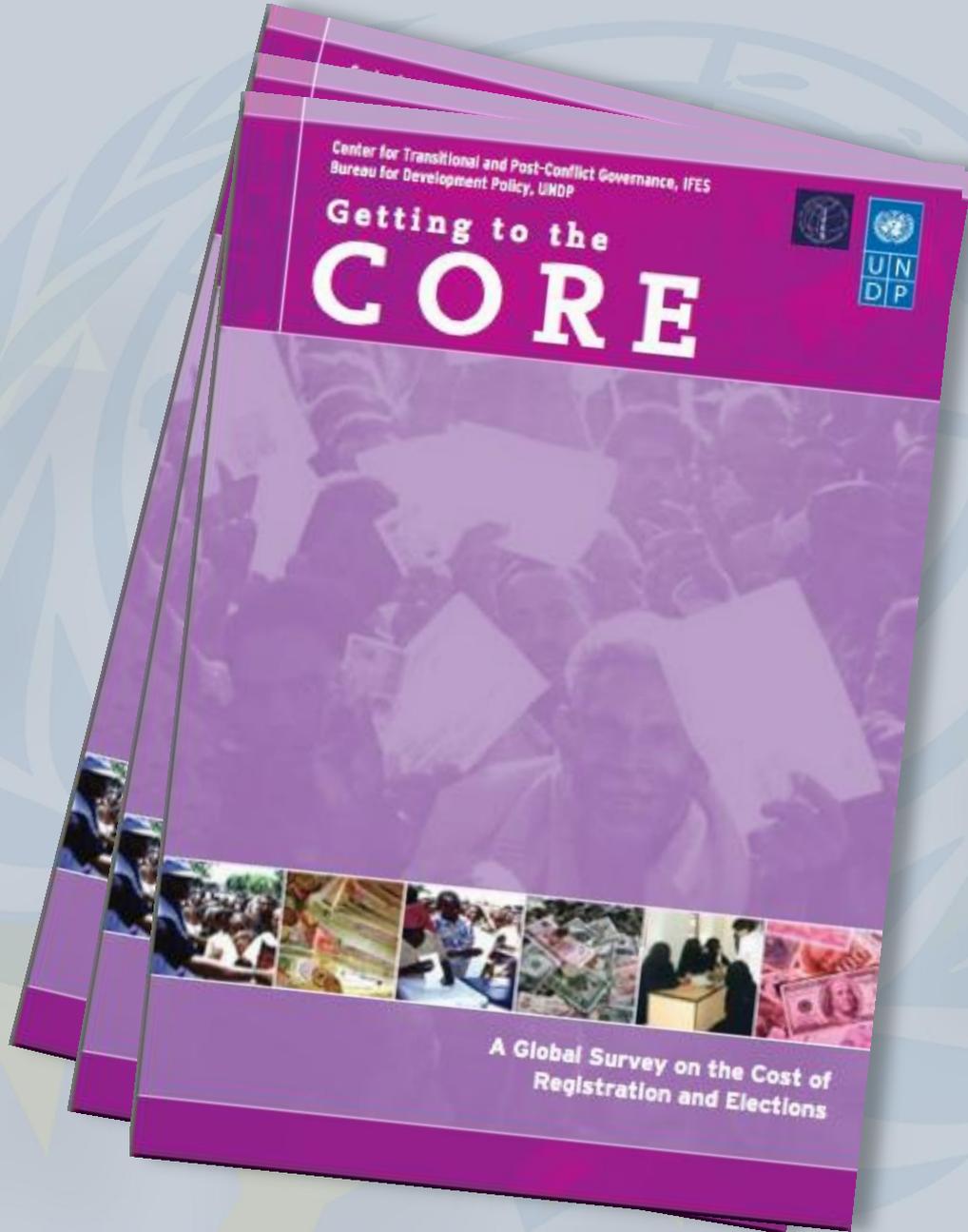
Part 3 - Figure 4. Largest Budgets Items as a Percentage of Total Budget





Summary of Challenges

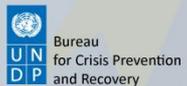
1. Assess financial needs **against** specific outputs / activities
2. Work on **accurate** assumptions
3. Visualize **scenarios**
4. Raise funds when there is **no** election on the agenda
5. Address **long-term** capacity building with recipient institutions
6. Government financial commitments **and** cycles
7. Donor **fatigue**
8. Expenditure conditions/timelines—elections calendar **match**
9. The fluid nature of election budgets - immense importance to include **contingency** lines



Organized within:



With the support of:



Partners:

