

The Cabinet supports the creation of a new model for funding of political parties in Latvia

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Press release

On Tuesday, 8 October, the Cabinet supported amendments to the Law on Financing of Political Organisations (Parties), in order to minimise the financial dependence of parties from private donations and impact of donors. In case of receipt of the funding from the State budget, the total limit of donations from natural persons, membership fees and entrance fees will be reduced - from 50 to 12 minimum monthly salaries (currently from 21,500 euros to 5,160 euros).

The draft law is developed, on the basis of the provisions of Sub-Paragraph 185.2 of the Action Plan of the Government "Declarations for implementation of activities planned by the Cabinet of Ministers chaired by Arturs Krisjanis Karins", as well as considering the proposal made in the speech made by the President of the State on 5 September 2019 to increase the funding of political parties.

The purpose of amendments is to minimise dependence of political parties from private donors, thus ensuring transparency, lawfulness and compliance of the financial activities of political parties with the system of parliamentary democracy. When comparing with other Member States of the European Union, the State funding in Latvia is far from the volume of the State funding for political parties in other countries, besides, according to the data of research of the University of Amsterdam conducted in 2015, it is nine times smaller than in Estonia and Lithuania. Currently it is problematic for the Latvian political parties to perform functions expected from them in democratic society due to the fact that dependence of political parties from private donations exist, as well as lack of funding prohibit them to become more professional or develop work with members and territorial units.

In order to achieve the purpose of the draft law, the funding in the amount of 4 million euros will be required in addition from funds of the State budget. The draft law plans to allocate the funding from the State budget to political parties, where more than two percent of voters have voted for during the previous elections of the Saeima - 4.5 euros per each acquired vote as well as 0.5 euros for each acquired vote during municipal elections and 0.5 euro per each acquired vote during the elections to the European Parliament. For the political party, for which more than five percent of voters have voted during the previous elections of the Saeima, the funding of the State budget in the amount of 100,00 euros will be allocated in addition each year until the next elections of the Saeima. The draft law stipulates that the total funding of the State budget allocated to one political organisation (party) shall not exceed 800,000 euros within a year.

At the same time the draft law proves more strict rules for political parties, for example, in case of receipt of the funding from the State budget, the maximum amount of donation (gift) made by a person to the political party shall not exceed the amount of 12 minimum monthly salaries (currently - 50 minimum monthly salaries), as well as will prohibit the political parties to establish debt liabilities, exceeding 90 days.

The draft law provides for a delegation to the Cabinet of Ministers to issue regulations, determining the types of target groups for utilisation of the funding from the State budget and acceptable expenses.

The above-mentioned draft law is still to be reviewed by the *Saeima*. It is possible to become acquainted with the draft law on the [webpage](#) of the Cabinet.

<https://www.tm.gov.lv/en/article/cabinet-supports-creation-new-model-funding-political-parties-latvia>