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Working towards a framework for modern sports governance

Report¹

Committee on Culture, Science, Education and Media
Rapporteur: Mr Mogens Jensen, Denmark, Socialist Group

A. Draft resolution²

1. The Assembly deplores that the recent scandals around doping, match-fixing, cases of corruption including bribery, vote-buying for major events bidding, financial malpractice, money-laundering, tax evasion, illegal betting, human exploitation or trafficking of young athletes which have tarnished the image of international sport and brought into spotlight the lack of transparency and accountability in major sport governing bodies. The crisis in confidence seems nowhere near the end. The failures are systemic and call for a major overhaul of sports governance structures and practices.

2. The Assembly upholds the importance for sports to enjoy autonomy; yet autonomy triggers responsibility and should be allowed to flourish only where there is good governance in practice. The Assembly believes that the sport movement cannot be left to resolve its failures alone. It needs to accept to take on board new stakeholders to embrace the necessary reforms.

3. The Assembly acknowledges the reform path that several major international sports federations, including the International Association of Athletics Federations (IAAF), the International Federation of Football Associations (FIFA), the Union of European Football Associations (UEFA) or the International Cycling Union (UCI), have already embarked upon, however, more needs to be done. The International Olympic Committee (IOC) needs to demonstrate bolder leadership and make headway in speeding up reforms.

4. Restoring public trust begins with ending impunity and bringing those responsible for crimes to justice. Above all, the sport movement itself needs to demonstrate that it is able and willing take proactive measures in rooting out the culture of corruption and lawlessness within its ranks and to indict those who commit crimes.

5. The Assembly maintains that it is also the responsibility of governments to create a robust legislative framework that would enable the prosecution of sports leadership for acts of bribery, embezzlement of funds or other forms of corruption; foster effective investigation, prosecution and mutual legal assistance with police and judicial co-operation, and impose conditionality of awarding public funds for sports events to comply with good governance standards. The Assembly commends the government of Switzerland - home of over 60 international sports federations - for having introduced complex legislation that allows prosecution for private corruption in sport and classifies leaders of sports organisations as “politically exposed persons”, thus allowing investigators to examine their financial holdings and transactions.

6. While there is no one-size-fits-all solution for sports governance, common basic criteria of good governance should apply to all - from the smallest clubs to international umbrella organisations. These basic criteria significantly overlap with the governance principles applied in the corporate, public and non-profit sectors. Given the specificities of sport, the regulatory framework must nevertheless be complemented by sports-specific rules and regulations that protect athletes, guarantee the integrity of sports events, social and environmental responsibility, and introduce strict control mechanisms on the allocation and use of

¹ Reference to committee: [Doc. 13963](#), Reference 4186 of 4 March 2016.

² Draft resolution adopted **unanimously** by the committee on 4 December 2017.

development funds.

7. The Assembly commends the initiatives taken by national and international sports governing bodies to introduce codes and standards of good governance. However, apart from a few mandatory national codes, only the IOC Basic Universal Principles are binding to the Olympic movement and may be sanctioned upon. Moreover, these principles, introduced a decade ago, need to be brought in line with modern governance standards.

8. In order to allow proper monitoring and compliance assessment of good governance standards across the sports sector, the Assembly strongly calls for the development and implementation of a solid set of harmonised good governance criteria, which should be elaborated through the system of a globally recognised and indisputable standardisation body such as the International Standards Organization (ISO), by creating an ISO certification standard on governance of sports organisations.

9. At the European level, the Assembly sees the necessity to build on the same set of harmonised good governance criteria a Council of Europe Convention on Good Governance in Sport. This new Convention could complement the existing conventional basis covering doping, match-fixing and spectator violence, bind its member States by the observance of the same harmonised standards and enable a monitoring of their implementation.

10. The Assembly strongly believes that the global harmonisation of standards goes hand in hand with the introduction of a proper monitoring and compliance assessment system of the implementation of these standards. To this end, it welcomes the exercise of self-evaluation recently carried out by the Association of Summer Olympic International Federations (ASOIF) of its 28 international federations as a first step in the right direction. However, it remains convinced that self-evaluation, similarly to any “ticking-the-boxes” exercise based on fulfilling questionnaires, is far from being a sufficient basis for achieving long-term goals of good governance in sport.

11. The Assembly also underscores that, whereas the adoption of harmonised standards and the monitoring and assessment of their implementation are fundamental elements of ensuring good governance, they cannot on their own instigate the change needed for successful governance reform in sport, nor help sports organisations looking to overcome some of the major issues they are currently facing, including damage to their reputation, mistrust from key stakeholders, etc.

12. The Assembly therefore urges the sports world to set up an independent sports ethics rating system, which should be created and operated by third-party professional agencies of impeccable international reputation, similar to existing environmental, social and governance (ESG) rating agencies. Similarly to the corporate world, introducing rating would enable sports organisations to prove and make visible their efforts towards enhanced governance and management strategies. The sports ethics rating would be the first tool to enable systematic assessment of organisational culture change.

13. The Assembly believes that the lead in setting up such a rating system should be taken by an inclusive international multi-stakeholder platform or alliance, which could be responsible for monitoring, assisting and consulting. In this context, the Assembly welcomes the recent launch of the International Partnership against Corruption in Sport (IPACS) and the Sports Integrity Global Alliance (SIGA). However, it further recalls that monitoring should be kept strictly apart from compliance control, which for the sake of guaranteeing full independence, must be carried out by an external professional and fit for purpose agency. Advisors must not act as judges.

14. The Assembly welcomes the adoption of an ever-growing number of codes of ethics and the setting up of an increasing number of Ethics and Disciplinary Committees with international sports governing bodies. It recalls that independence is the key component of any such body, and urges sports organisations where such committees have been created, to grant these bodies full structural, budgetary and operational independence. Members of these committees must be free from any undisclosed, actual or potential conflict of interest.

15. The diversity of stakeholders in sport is particularly large. In order to bring about governance culture change, all these different groups need to take a public stand on integrity issues. This applies in particular to sponsors of athletes, teams or sporting events, who must be encouraged to introduce good governance clauses in their sponsorship contracts.

16. Sports governance needs to become inclusive of different societal groups, in particular with regard to empowering young people and women to be involved in the decision-making process and to take leadership positions in sports governing bodies.

17. In light of the above, the Assembly invites the governments and parliaments of member and observer States, to:

- 17.1. foster good governance of sports organisations acting on their territory and adopt binding national codes based on the recommendations presented in the report on “Working towards a framework for modern sports governance” (Doc. ...);
- 17.2. encourage the leaders of national sports movements to actively promote good governance while acting within the framework of international sports organisations;
- 17.3. condition the awarding of public grants to sports organisations and for sports events with compliance to good governance standards;
- 17.4. implement the final resolutions of the 14th Council of Europe Conference of Ministers responsible for Sport in Budapest (28-30 November 2016), in particular as regards adopting and effectively enforcing clear criminal provisions on the crackdown of private corruption applicable to sport, protection of whistle-blowers and provisions on the fight against money laundering and corruption in the field of sport, for example for financial institutions to consider some leaders of sports organisations as “politically exposed persons”;
- 17.5. support the work of the Council of Europe Enlarged Partial Agreement on Sport (EPAS) and in particular the preparation of the draft recommendation of the Committee of Ministers to member States on the promotion of good governance in sport and the collection and publication of good practices in sports governance.

18. The Assembly calls upon the International Olympic Committee (IOC) to step up modern governance reforms and uphold changing governance culture by:

- 18.1. revising its Basic Universal Principles of Good Governance within the mandate of its Agenda 2020, by bringing them in line with the ASOIF Key Governance Principles and Basic Indicators and the recommendations presented in the report on “Working towards a framework for modern sports governance” (Doc. ...);
- 18.2. supporting and actively participating in the elaboration of an ISO certification standard on governance of sports organisations;
- 18.3. developing a comprehensive good governance implementation and compliance strategy, including external professional compliance assessment; assistance to federations in terms of counselling, training, financial aid and capacity building; and a fair rewards and sanctions system;
- 18.4. further strengthening its Code of Ethics and removing any ambiguities of conflict of interest within the structures of its Ethics Commission which should have the power to investigate *ex officio* cases of ethical misconduct and to apply appropriate sanctions, sufficient and secured financial resources and an independent secretariat;
- 18.5. consolidating the rules and building firewalls into the procedures that have recently proved to have serious lacunae in them, e.g. bidding rules for major sporting events, ticketing rules etc.

19. The Assembly urges the ASOIF leadership to publish the detailed data on the assessment of all its indicators and the results of the second round so as to compare them with an independent external assessment carried out by the Sports Governance Observer or other non-governmental bodies.

20. The Assembly further calls upon the new international multi-stakeholder platforms,

- 20.1. to include in their work as varied as possible range of stakeholders in order to foster fresh thinking, innovative ideas and modern approaches in facing new challenges; besides individually offering new complementary dynamics and solutions to the issues of sports

governance and integrity, to draw upon their strengths and synergies and co-operate actively with one another;

20.2. with particular regard to IPACS, and notably to its Task Force on compliance with good governance principles, to undertake a broad-based discussion on harmonising good governance standards and elaborating an ISO certification standard on governance of sports organisations;

20.3. with regard to SIGA, to set up a balanced ecosystem of internal monitoring and counselling and an external professional third-party assessment and rating system, in due respect to the separation of functions;

21. The Assembly also encourages the European Sponsorship Association to promote conditioning financial support to the assessed practice of good governance principles.

22. The Assembly is willing to strengthen its co-operation with inter-governmental partner organisations such as the European Union, UNESCO, UNODC and the OECD and encourages them to shoulder - within their remits - international initiatives fostering good governance and integrity in sport. In particular, it invites the EU Commission to support through its Erasmus + programme the global harmonisation of governance standards and setting up of a modern sports ethics rating system.

23. Finally, the Assembly regrets that there is little co-ordinated parliamentary action or international parliamentary partnership that would allow parliamentarians to have a credible stakeholder voice in the current debate on sports governance and integrity outside the scope of individual reports. To this end, the Assembly resolves to consider setting up a Parliamentary Alliance for Good Governance and Integrity in Sport with the aim of bringing together national parliaments and international parliamentary bodies around a meaningful discussion on sports governance and integrity issues. This Alliance could have as a first task to contribute to the preparations of the 15th Council of Europe Conference of Ministers responsible for Sport in October 2018 in Tbilisi and to hold a parliamentary conference on the margins of this event.

B. Draft recommendation³

1. The Parliamentary Assembly, referring to its Resolution ... (2018) on working towards a framework for modern sports governance, stresses the need to set up a global framework for good governance in sport that would respect the principles of democracy, transparency, accountability and integrity and uphold the sports ethics values of fair play, respect for human rights and human dignity, solidarity, diversity and rejection of any form of discrimination.

2. The Assembly welcomes the final resolutions of the 14th Council of Europe Conference of Ministers responsible for Sport in Budapest (28-30 November 2016), notably the recommendations made in the Resolution "Towards better governance in sport through enhanced co-operation between governmental bodies and stakeholders in sport", and the actions already taken thereupon.

3. In this context, the Assembly commends the work which is already carried out by the Council of Europe's Enlarged Partial Agreement on Sport (EPAS); in particular, it welcomes the elaboration of a new Committee of Ministers' recommendation to member States on the promotion of good governance in sport, the collection and publication of good practices in sports governance and the creation of a database on alleged cases of corruption.

4. It further commends the active role EPAS has played in setting up the International Partnership against Corruption in Sport (IPACS) and in assuming leadership of its Task Force on compliance with good governance principles in the context of sport.

5. In light of the above, the Assembly calls upon the Committee of Ministers, through EPAS, GRECO and other relevant bodies,

5.1. as regards improving the legislative framework, to:

5.1.1. take into consideration the Assembly's recommendations as outlined in paragraph ... of Resolution...(2018) in preparation of the Committee of Ministers' Recommendation to member States on the promotion of good governance in sport, and in particular, urge all member States not to tolerate any impunity and to take measures to be able to prosecute and sanction corrupt behaviour in the context of sport;

5.1.2. as a further step, consider elaborating a Council of Europe Convention on Good Governance in Sport in order to complement the Organisation's existing conventional basis relating to sports ethics and fight against corruption and fraud, and enable efficient monitoring of the compliance with the Convention;

5.2. as regards the harmonisation of standards of sports governance, to take the lead within IPACS in:

5.2.1. promoting the elaboration of common good governance standards in, taking into account the comparative study of fifteen major codes and standards on good governance in sport presented in the report on "Working towards a framework for modern sports governance" (Doc. ...);

5.2.2. setting up a multi-stakeholder round table within the Task Force on Good Governance in Sport, including but not limited to the fifteen international and national bodies responsible for the codes and standards mentioned in the above study, with a view to launching discussions on elaborating an ISO certification standard on governance of sports organisations;

5.3. as regards compliance with standards, to:

5.3.1. introduce a monitoring of the Recommendation to member States on the promotion of good governance in sport, including a systematic review system of the national policies of good governance in sport and their implementation and produce a dashboard of the available monitoring results seeking their critical analysis;

³ Draft recommendation adopted unanimously by the committee on 4 December 2017.

- 5.3.2. support, at international level, the setting up of a professional and independent ethics rating system of sports organisations;
- 5.4. as regards knowledge-sharing and participation in multi-stakeholder platforms, to:
 - 5.4.1. continue to collect information on best practices and to create an online resource that is regularly updated, thereby allowing the Council of Europe to assume the role of an international clearing house on this matter;
 - 5.4.2. based on the collection of alleged cases of corruption in sport on information collected by GRECO and the dashboard on monitoring reported, conduct trend analyses and submit them together with proposals to the Committee of Ministers once a year;
 - 5.4.3. participate actively in the work of all relevant multi-stakeholder platforms on sports governance and integrity.

C. Explanatory Memorandum by Mr Mogens Jensen, rapporteur

1. Introduction: origins, acknowledgements and aims

1. The recent scandals in the sports world have stained the image of international sport. Not only do we hear almost daily about criminal activities such as doping, manipulation of sports results, corruption, financial malpractices, cases of tax evasion, illegal betting, violence and racist speech, questionable connections between sport and the top levels of politics, etc. alleged or discovered in different organisations, but there is also a growing awareness that the failures of international sports governance are long lasting and systemic, and that it is strategically urgent to modernise the way that sports organisations are governed.

2. In October 2015, Play the Game/Danish Institute for Sports Studies issued a Sports Governance Observer (SGO2015) on the legitimacy crisis in international sports governance,⁴ which triggered the current report. I was intrigued by why and how – after so many years of talk about good governance in sport, including within the Council of Europe⁵ – the sports world was still run on archaic management models that lack elementary democratic structures, accountability and transparency in decision-making, and which still feed the ground for impunity for corrupt practices.

3. From the outset of my mandate as rapporteur in March 2016, I had the opportunity to participate at the meetings of the Task Force on Good Governance in Sport preparing the Council of Europe 14th Conference of Ministers responsible for Sport, held on 29 November 2016 in Budapest (2016 Budapest Ministerial Conference), which helped me to get an immediate insight into the enormous challenges sports governance faces today, and the practical steps that both the sports movement and governments should take in finding solutions.

4. At the Committee level, in the course of the preparation of this report, we have held five major hearings with representatives of almost all stakeholder groups playing a pivotal role today in advancing sports governance reforms. I wish to thank each and every person for his or her personal contribution; their ideas and suggestions are well reflected in this report. In particular, my gratitude goes to Mr Andreas Selliaas, whose first expert analysis created a sound basis for my report; and to Mr Antonio de Marco, who stepped in at the final stage by carrying out for the purposes of this report a comparative study of 15 major international or national codes, standards or basic principles with the aim of streamlining the main criteria of good governance in sport.

5. Furthermore, my special mention also goes to Play the Game and its energetic International Director Mr Jens Sejer Andresen, together with whom the Sub-Committee on Education, Youth and Sport organised a joint public hearing entitled “**Hands on, hands off? The role of politicians in reforming sports governance**” on 3 April 2017 in Aarhus, Denmark (Aarhus public hearing); and to the Council of Europe Enlarged Partial Agreement on Sport (EPAS), without the support and regular co-operation this report would not have been the same.

6. In the course of preparations, the title of the current report has evolved from the initial “Legitimacy crisis of international sports governance”, echoing the SGO15 report, to an interim working title “The need for better international sports governance”, which the committee agreed to change for the current “Working towards a framework for modern sports governance” at its very last meeting. The latter indicates my aim to focus predominantly on seeking solutions for improving the governance of international sports organisations and on the crucial role national governments can play when introducing similar standards and requirements at national level. I am convinced that the solutions presented in this report constitute a winning way forward for introducing a progressive and innovative setup for sports governance.

2. The changing landscape of the playing field

7. Sport is changing at very fast pace. It is no longer solely seen as a simple leisure activity, contributing to the personal well-being of individuals, but a multi-billion economic sector of significant importance, generating jobs and providing ever more products and services.⁶

⁴ <http://www.playthegame.org/knowledge-bank/downloads/sports-governance-observer-2015/c14e0343-6716-42b5-9aa0-a6c700daeb48>.

⁵ As manifested by the Committee of Ministers Recommendation Rec(2005)8 on the principles of good governance in sport, the Assembly Resolutions 1875 (2012) on good governance and ethics in sport and the Resolution 2053 (2015) on the reform of football governance.

⁶ Main challenges facing sport in the 21st century and cooperation between, the EU, governments and the sport

8. At the same time sport industry is going through more disruption than ever⁷. The two industries influencing it the most – technology and media – are evolving at a record-high speed. Broadcast media is becoming wider than ever, yet linear TV is experiencing decreasing ratings and revenues. Global tech giants are slowly but surely entering the rights market. Brands now have more channels through which to engage with consumers, diminishing their dependence on sponsorship. Competition for capturing new audiences is intensive and is continuing to increase.

9. The globalisation of media is perpetuating the dominance of a handful of elite sports, while there is a proliferation of sports events around the globe. The latter creates a market and important commercial opportunities. All the same, the increasing costs of staging major sporting events are diminishing the interest among host cities, whose populations increasingly voice against spending public money without long-term sustainability gains.

10. New technologies are transforming the fan experience and how they interact with sports. The fast development of social media is widely contributing to the “democratisation” of the traditional ways sport is channelled and commercialised, giving everybody a voice. Today sports fans can immediately connect to their favourite players or athletes and also the sports governing bodies through Twitter or Facebook. They can instantly engage with them on a personal basis. A two-way relationship is emerging through the social media, allowing public at large to give immediate feedback but also to demand more from the governing bodies and from their idols.

11. Sport is thus more than ever under public scrutiny, and there is increasingly more grassroots pressure for sports to become transparent and accountable. Notably the millennials and younger generations active on social media are vocal in appealing to the governing bodies for sports governance reforms, integrity concerns, etc. They want to see that sport echoes the values they associate themselves with. This new group is emerging vigorously as a new key stakeholder in the field of sports governance and integrity.

12. This latter group is also politically active and reactive to the numerous scandals and reported misdoings in the sports world unfolding almost daily. Within minutes, any news can be shared between the 1.86 billion active users of Facebook, 1.2 billion users of WhatsApp and Messenger, 1 billion users of YouTube or the 328 million users of Twitter around the world⁸. Everybody has the ability to post their thoughts and their ideas. When no action is taken, the public can also see it immediately.

13. I wish to believe that the leaders of sports governing bodies have understood that the old habits of taking decisions behind closed doors or buying votes for positions or venues and other type of favours has come to an end. If sport wishes to regain public trust, to reach out to new audiences and to ensure revenue streams, it has to adapt to the new realities which impose strong public scrutiny on the one hand, and the demand for openness, transparency, accountability, good governance and integrity on the other. In trying to reform itself, it would make sense for sports bodies to look to other sectors, such as business and non-profits, for governance lessons.

3. What is at stake?

3.1. Die-hard specificities of the sports world

14. For decades, sports organisations have enjoyed almost full autonomy in their functioning. This autonomy is unquestionably important for the good functioning of sport in terms of setting sports agendas, deciding on internal rules, etc. However, it is clear that this autonomy has also been misused and abused, which has led to the lack of trust and credibility where sport finds itself today.

15. It is also clear that sport organisations are very different in terms of size, resources and specific challenges across sports and countries, and they evolve in a highly complex environment. International

movement, Discussion paper of the Council of the European Union, 13549/17 SPORT 82, 3 November 2017

⁷ The below observations are largely based on the information presented in Sports: the most disrupted of all industries?, PwC's Sports Survey 2017, September 2017 <https://www.insidethegames.biz/media/file/82249/pwc-sports-survey-2017-final-web.pdf> and in the two Podcasts of Sport Integrity Global Alliance: European Week of Sport – September 2017 and Millennials Matter - October 2017, <http://siga-sport.net/podcasts/>

⁸ Sparks, D., Top 10 Social Networks: How Many Users are on Each? A list of the world's biggest social networks reveals the surprising insights, 30 March 2017, <https://www.fool.com/investing/2017/03/30/top-10-social-networks-how-many-users-are-on-each.aspx>

federations (IFs) are in fact hybrid structures, on the one hand based on voluntarism and professionalism, and on the other hand established to support not-for-profit missions through commercial activities.⁹

16. Arguing on the grounds of autonomy and the non-governmental associative legal status of most IFs, international sports leadership has created for itself a position of 'untouchables', with a quasi-impossibility to prosecute them for acts of bribery, embezzlement of funds, abuse of power, match fixing, etc. In most countries national legislation for prosecuting private corruption does not extend to the sports world, which adds to the complexity of fighting fraudulent practices in sport.

17. Although the revenues associated with international sport organisations are not comparable to the biggest businesses in the global economy, sport can be considered big business nonetheless. In particular, mega-events (OG, FIFA World Cup) result in the mobilisation of tens of billions of dollars in state-sponsored infrastructure expenses. Because of their unique governance structures, however, such bodies are not easily held accountable to standards of good governance. For instance, companies and other organisations typically have formal accountability to stakeholders (shareholders, for example, in the case of public companies) and are often overseen by independent directors. International sports bodies have more diffuse and complex stakeholder relationships, and very few have any external directors (the World Anti-Doping Agency offers an exception).¹⁰

18. The IOC coordinates the activities of national Olympic bodies and collaborates with international sports federations (among whom 35 federations of Olympic sports, 36 affiliated to the Association of IOC Recognised International Sports Federations (ARISF) and 5 regional associations). It may seem like an international body, however, it is actually a non-for-profit organisation incorporated under the provisions of Swiss law, which – along with several other global sports bodies – receives special treatment under Swiss law, including tax and property privileges.¹¹

19. Apart from the IOC, about 60 international sports organisations have their headquarters in Switzerland. They have de facto an international status. But de jure, they are not incorporated as International Governmental Organisations (IGOs) or international quasi-governmental organisations (IQGOs). They are **associations subject to national private law whose terms of constitution and organisation are formalised in the Swiss Civil Code (SCC)**. The legal framework provided by the Code allows a large freedom of arrangement, but is also imposing certain conditions.¹²

20. Until 2000, corruption of foreign public agents was not prosecuted in Switzerland. Offering bribes was the usual way of doing business and they were deductible from corporate tax. But since then, international pressure has continued to increase from the OECD with the Anti-Bribery Convention (2000), the Council of Europe Criminal Law Convention on Corruption (2006), the UN Convention against Corruption (2009), and GRECO critical third evaluation on Switzerland (2011) recommending that private corruption should no longer be prosecuted upon complaints but ex officio and that the offence of private sector bribery should be extended to sports associations.¹³

21. In reaction to the above and the numerous scandals, the Swiss government passed a law in December 2014 that would classify the leaders of sports organisations as '**politically exposed persons**', thus allowing investigators to examine their financial holdings and transactions.

22. However, **many loopholes remain** in international sports governance. For instance, leadership compensation disclosure is one of the many areas in which private, non-profit sports organisations differ from government.

⁹ ASOIF Governance Task Force (GTF) Report, November 2016,

http://www.asoif.com/sites/default/files/basic_page/asoif_governance_task_force_report.pdf.

¹⁰ Pielke, R., Jr., Obstacles to accountability in international sports governance, drawn from Transparency International's *Global Corruption Report: Sport*,

http://www.transparency.org/files/content/feature/1.4_ObstaclesToAccountability_Pielke_GCRSport.pdf.

¹¹ Idem.

¹² Mrkinjic, M., The Swiss regulatory framework and international sports organisations, in Action for Good Governance in international Sports Organisations, Play the Game,

http://www.playthegame.org/fileadmin/documents/Good_governance_reports/AGGIS-report_-

[12The_Swiss_regulatory_framework_p_128-132_.pdf](http://www.playthegame.org/fileadmin/documents/Good_governance_reports/AGGIS-report_-12The_Swiss_regulatory_framework_p_128-132_.pdf).

¹³ Idem.

23. Transparency International and several other international bodies are recurrently repeating that **sports governing bodies have to start operating as big businesses, using best business practices**. This would also imply adopting accountability rules that are not mandatory in the current context.

24. The final resolution adopted at the Budapest Ministerial Conference also recommended the **introduction of the appropriate level of transparency on financial accounts and political decision-making processes in order for sports organisations to comply with requirements applicable to same size business companies**, e.g. International Financial Reporting Standards.¹⁴

25. In today's realities, unfortunately most international sports governing bodies would still rather appeal to their autonomy and the complexity of the international sports system, referring to varied legal statuses of sports organisations (non-profit associations, limited companies, charities, special purpose vehicles for hosting events, etc.), dependency on national legislations, having to comply with multiple forms of compliance systems and regulatory environments, etc. than manifest willingness to change without outside pressures.

3.2. The need for restoring public trust

26. Both external and internal to IFs studies¹⁵ indicate that 50-75% of the International Olympic Federations comply with less than 50% of the indicators used for these studies. The deficit is essentially a problem of flawed institutional design, but also the lack of mechanisms that would encourage accountability and transparency in these institutions and allow monitoring and sanctioning of decision-body members. It is not to be expected that the currently existing sports governance structures, which have for decades closed their eyes to corrupt and fraudulent practices within the sports movement, would make a quantum leap forward in introducing modern institutional design or bold reforms without a strong pressure from the stakeholders outside.

27. And yet there is a strong need for restoring public trust in clean sports and sports leadership that would be capable of governing the sports movement according to contemporary best practices and governance standards. This requires real will and major efforts from international umbrella organisations like the IOC, ASOIF and AIOWF and international and national federations alike.

28. It would be unfair not to recognise the efforts that have been taken towards mitigating corruption risks, either by the IOC through its Agenda 2020, ASOIF through the assessment of its member federations' compliance to good governance standards, or by various international federations. Increasingly more leaders, organisations and stakeholders are acknowledging a range of governance issues to be addressed in making sure that sport organisations remain fit for purpose. More solutions are also being developed and implemented across sports, countries or regions.

29. In this context, I must recognise the reforms undertaken by several international sports federations. The steps taken by FIFA and UEFA are thoroughly analysed in the report of Ms Brasseur on "Good football governance".¹⁶

30. The International Association of Athletics Federation (IAAF) has been the most recent IF to follow FIFA's lead in subjecting itself to comprehensive governance modernisation. It has set up a new independent Athletics Integrity Unit to manage integrity matters, including assuming responsibility for education and testing and for investigation and prosecution of breaches of IAAF's Integrity Code of Conduct. It also takes over responsibility for investigating and prosecuting anti-doping rule violations of all international level athletes, which used to be carried out at a national level. To ensure the independence of the Athletics Integrity Unit, it has its own board and staff. The Unit is housed and operates separately from IAAF. A new Disciplinary Tribunal and a so-called Vetting Panel, comprised of three independent persons, appointed by the IAAF Congress on the recommendation of the IAAF Council, have also been created, the decisions of both of which can be appealed to the Court of Arbitration for Sport (CAS).¹⁷

¹⁴ Resolution No. 2: Towards better governance in sport through enhanced co-operation between governmental bodies and stakeholders in sport,

https://search.coe.int/cm/Pages/result_details.aspx?ObjectID=09000016806d4afb.

¹⁵ Sports Governance Observer 2015 and ASOIF self-evaluation study in 2017

¹⁶ see Doc. ...

¹⁷ for a more detailed description, see Pedersen, M., Good governance: The foundation for playing a beautiful game, Ethical Boardroom, Summer 2017,

<https://ethicalboardroom.com/good-governance-the-foundation-for-playing-a-beautiful-game/>

31. At a national level, many recent solutions in the form of governance reforms of sport organisations have been initiated as a response to a governance-related crisis and on the basis of a governance review. In an increasing number of countries, either the national Olympic committee and/or the government have also been developing national frameworks and tools for good governance in sport. In some cases, compliance with minimum governance criteria has also become a prerequisite for national sport organisations to remain eligible for full public funding.¹⁸ All in all, according to Play the Game, the EU Erasmus+ project 'National Sports Governance Observer' currently being carried out with a view to creating a benchmarking tool that assesses the level of good governance in national sports federations, shows that the national sports federations are in a better shape and more "co-operative, curious and ready to change".¹⁹

32. Most of these steps have, however, been taken in reaction to major outbreaks of scandals. Over three years ago, upon the adoption of its Agenda 2020 reform package, the IOC President sent out a warning signal: "Change or be changed". Three years on, there is still strong resistance within the sports movement to any change at all. The IOC itself has been under fire over its own slow pace of reforms as well as over several corruption cases concerning its members, the latest scandal having erupted just before the IOC session in Lima, Peru (13-15 September 2017), surrounding Rio 2016 President Carlos Nuzman who has been accused of involvement in bribing for the votes of African IOC members in return for supporting Rio 2016. This followed previous accusations against IOC Executive Board member and the Senior Vice-President of the Association of National Olympic Committees (ANOC) Patrick Hickey who is facing charges of theft, tax evasion and money laundering in Rio 2016 ticketing fraud. Some claim that the decision-making system within the IOC is more secretive than ever and that the few members who still try to get the IOC to reach independent decisions, have lost virtually all their influence. Furthermore, in the recent Russian state-sponsored doping affairs, it has seemed more bothered about trying to use its political influence to shut down investigations behind the scenes rather than fronting up and changing.²⁰

33. And yet it is clear as a day that implementing good governance and undertaking targeted action would be energy effective and would lead the sports movement towards enhancing trust and legitimacy. It would allow the mitigation of corruption risks and enhance resistance to unethical practices, considering the high-risk environment that international sports organisations are operating in. Eventually good governance would also increase their autonomy by building trust with governments and various stakeholder groups.

34. The Olympic Agenda 2020, adopted just before the revelations of systemic malfunctions within the international sports governing bodies, was adapted to an earlier era when all was "pretty much rosy in the IOC rose garden". I agree with those who say that it has proved inadequate to reassure inhabitants of prospective bidding cities, or to counter the torrent of criticism directed at the body during the last two or three years. It did serve the useful subsidiary function of securing unanimous buy-in from IOC members for a package of reforms in some cases so vague as to cover almost anything.²¹

35. Sports governance is in serious leadership crisis today. I share the concern expressed by many of the speakers at the Play the Game 2017 Conference which is happening in parallel with completing this report, that not only are the reforms going at snail's pace, but the leadership of the Olympic movement is silent on questions of tolerance, respect, fair play and human rights issues.

36. In order for the IOC leadership to demonstrate that is ready to adapt and to embark on serious governance reforms, it would need to define a proper **strategic vision and priorities** that take into consideration the changing realities and generate a new era of sports governance culture. This strategic vision should encompass, inter alia

- **a proper strategy on mitigating corruption risks;**
- **building democratic structures and procedures that promote transparency and accountability and secure a strict separation of powers and functions;**
- **ending with impunity inside the sports organisations through thorough investigation and indictment of all those involved in corruptive activities;**

¹⁸ Idem.

¹⁹ Opening remarks by Mr Jens Sejer Andersen at the Play the Game 2017 Conference in Eindhoven, The Netherlands, 26 November 2017.

²⁰ Butler, N., Bach may have claimed to lead reform at IOC but corruption scandals leave public unconvinced, *Insidethegames.biz*, 11 September 2017.

²¹ David Owen blog: Could do better – Thomas Bach's mid-term report card, 13 September 2017, <https://www.insidethegames.biz/articles/1055348/david-owen-could-do-better-thomas-bachs-mid-term-report-card>.

- **introducing a functioning system of sticks and carrots to sports governance, including through proper monitoring, assessment and coaching of sports organisations; and revision of the system of sanctions and rewards.**

37. Furthermore, I believe that as much as every individual initiative of improving governance practices is to be welcomed, sports governance is complex and needs a “big picture” framework vision. In the next chapters, I offer my humble vision and call upon all those involved to debate openly these issues.

4. Towards a sports governance framework

38. The existing positive examples reveal a correlation between the definition and implementation of strategic objectives, enacting of regulations and codes, introduction and abidance by relevant legislation, and monitoring in matters of good governance and improvement of the said governance, and tying subsidies, administrative approval of sports associations and eventual privileged tax status to the compliance with good governance standards.

39. The introduction of a broad-based **governance framework** would need to be built on three pillars:

- **introduction of the basic regulatory framework and culture that supports it, which applies first and foremost to individual sports organisations and how they are managed at different levels;**
- **adoption of common tools, including a harmonised legislative framework and procedures of fair trial, independent arbitration and collaboration with law enforcement and investigative bodies; but also harmonised standards and compliance with them;**
- **inclusive action and cultivating governance culture through knowledge-sharing, involvement in policy making and communication a broad range of stakeholders and diverse societal groups, and co-operation with multi-stakeholder platforms.**

4.1. Pillar 1: The basics of good governance in sport

40. In order to put in place a functioning system of good governance in sport, it is first and foremost important to look at what good governance means in society today and how sports organisations should approach it.

41. Good governance is a complex concept. However, it is clear from studying corporate, public, non-profit and the sport sector, that good governance principles are very similar across all of these sectors. Despite this, it appears that the governance reform process in sport is particularly challenging thanks to a number of complicating factors inherent to the sector.²²

42. There is no single clear definition of good governance. Governance is usually understood as the action or manner of governing a state or organisation. Existing literature also defines it as ‘the process of decision-making and the process by which decisions are implemented (or not implemented). Good governance also means different things in different contexts. In the widest sense, the term is used to describe how institutions and organisations conduct themselves and make their most important decisions, how they determine who they involve in the process and how they render account.²³

43. Unfortunately for sports governing bodies, national and international sports federations do not neatly align with the governance models of either traditional commercial or non-profit entities. Despite this, there is no reason for other standards to be applied in terms of good governance.

44. When looking at what constitutes good governance, there is the side of organisational structures, which encompasses the separation of powers, existence of statutes and internal rules of procedure, transparency and accountability, internal control measures, codes of ethics and ethics commissions and an appropriate judicial/disciplinary and appeals work.

²² Implementing good governance principles in sports organisation: a painful obligation, or a platform for growth?, A white paper from Burson-Marsteller. TSE Consulting, April 2016,
<https://www.insidethegames.biz/media/file/28816/White%20Paper%20and%20Game%20Changer%20Model.pdf>.

²³ Idem.

45. Another side is the management practices, such as election of board members; encouragement of competitive elections, application of term limits; separation of political and operational management merit-based boardroom; diversity and respect to gender equality; clearly outlined responsibilities of board; declaration of conflict of interest of board members; merit-based hiring of staff; recognition of rights and equitable treatment of members and shareholders; involvement and managing diversity of stakeholders and investors; proactive anti-corruption measures and financial integrity.

46. More specifically, sport has also specific sides that need to be taken into consideration when developing proactive policies against doping, match-fixing, illegal betting, intolerance and discrimination, abuse of athletes or trafficking of athletes, or for the integrity of sports events (including bidding processes and selection of event hosts, ticket pricing and distribution, selection of sponsors, granting media broadcasting rights, building event infrastructure for major events, respect of the bidder to HR, labour standards, environment and anti-corruption, sustainability and legacy) or development funding (clear rules for fair, equal and transparent allocation and use of funding for sport development; reinvestment of benefits into grassroots activities; control mechanisms of use of development funds) and environment and social responsibility strategy/programme.

47. In summary, the key to good governance in sport is having a **robust regulatory system** in place to which all sporting bodies are accountable to and the **culture that supports that**. The tone is set from the top and that needs to be filtered all the way to the bottom. The scandals that have hurt sport have in fact mostly been in relation to leadership failures from the cultural perspective. Therefore, there needs to be a robust system of following these clear rules and regulations and that culture needs to filter through sports organisation and through those who fund sport.

4.2. Pillar 2: Common tools for good governance

4.2.1. Ending impunity for corruption

48. Restoring public trust begins with ending impunity and bringing those responsible for crimes to justice. First and foremost, it is the sports movement itself that needs to demonstrate that it is able and willing to take proactive measures in rooting out the culture of corruption and lawlessness within its ranks, and to indict those who commit crimes. Secondly, national authorities have the obligation to bring appropriate legislation up-to-date. Thirdly, it is also for the national authorities to introduce governance codes and monitor their compliance. Finally, in this context, it is also important that whistle-blowers receive appropriate protections.

49. The other side of the coin is also bringing culprits to justice through the procedures of free trial, providing independent arbitration and collaboration with law enforcement and investigative bodies.

4.2.1.1. Need for a proper legal framework

50. Governments and parliaments can play a pivotal role and have a key responsibility in investigating, prosecuting, or sanctioning corruption, even when it takes place within the framework of sport. By defining solid national frameworks of sports governance and encouraging the change of culture, they may offer credible bottom up solutions for improving the functioning of IFs as well.

51. Unfortunately, governments have often revealed inactive or even complacent or permissive postures, which have enforced the public feeling of authorities' impotence towards inappropriate behaviours in matters of good governance and integrity in sport. There are many reasons for this situation.²⁴ **As long as governments are complacent or turning a blind eye to corruption in sport and are not ready to actively promote good governance in sport, the issue will not be addressed properly. It is therefore strategically urgent to engage governments in understanding what is at stake.**

52. Governments and public authorities can also adopt other concrete measures within their respective jurisdiction, inter alia, by:

- valuating if national legislation is appropriate to allow for investigation, prosecution and mutual legal assistance with police and judicial co-operation in cases of corrupt behaviour in sport;

²⁴ ICSS Europe contribution to the hearing of the Task Force on 28 April 2016, in preparation of the Budapest Ministerial Conference.

- adopting and effectively enforcing clear criminal provisions on crackdown of private corruption, which would automatically allow corruption in sport to be prosecuted;
- using appropriate provisions on the fight against money laundering and corruption in the field of sport, for example for financial institutions to consider some leaders of sports organisations as “politically exposed persons”;

53. Most of these measures have been endorsed in the final resolution of the Budapest Ministerial Conference and would hopefully enter the Recommendations to the member States on the implementation of good governance.

54. Furthermore, governments could also consider tax deductions to sponsors that promote clean sport and good governance; requesting legal status change for professional elite sports federations on their territory; and promote international cooperation.

4.2.1.2. Whistle-blower protection

55. While the intrinsic value of whistle-blowers in sport is generally recognised by now, it goes without saying that policies and procedures must be in place to regulate the use of whistle-blower information and protect whistle-blowers from retaliation.

56. Whistle-blower hotlines, policies and procedures are increasingly being implemented in various sports organisations and other authorities in the area of anti-doping, match-fixing and athlete harassment.

57. Yet, the protection of whistle-blowers in sport is by and large vested in the hands of private sports organisations and/or public or semi-public authorities. They may have all the best intentions to support and protect any forthcoming whistle-blower, but they are unlikely to have enough strength in cases where lives and livelihood of whistle-blowers are threatened.

58. Legal assistance and media guidance may be provided by sports or via independent initiatives like Fair Sport, but the powers and means necessary to provide long-term financial support and physical security are only available to governments and their law enforcement entities. For now, they only act to a very limited extend and only in very rare cases.

59. Sport organisations and anti-doping agencies cannot develop effective whistleblowing programmes in isolation. Law enforcement agencies should be involved and a united approach to manage endangered whistle-blowers should be dealt with. Governments need to play a much more active role. Collaboration with sports organisations and anti-doping and integrity agencies is a fundamental necessity if protection of whistle-blowers is to be credible and effective.

60. Governments should take measures to guarantee that whistle-blowers do not need to flee or in worst cases to change their identities in return for telling the truth and take measures to provide financial support at least temporarily until they are able to support themselves again. That is the least we can do if we want whistle-blowers to do the right thing.

61. Whistle-blowers considering speaking up must be professionally advised to make informed decisions: Will it be worth it? What are the risks? How will life look on the other side? This is also a responsibility that should rest with law enforcement and where sport and anti-doping organisations must realise they need a helping hand.

62. Naturally, this will only work in situations where governments can be trusted. Often, they cannot. Or they lack the will to protect people giving compromising information. Still, closer cooperation between sport and the world's governments seems more relevant than ever. We are very far from convincing solutions, but there are signs that interest is growing. WADA has implemented a programme to protect informants, called 'Speak Up'. The IOC says it has established a whistle-blower programme a few years ago, but no information on its policies, protection measures and results are shared with the public.

63. Governments have taken a first look at how to better protect whistle-blowers as this was one of the recommendations in the 'Kazan Action Plan' endorsed by UNESCO in July 2017. It remains to be seen how many countries will follow the recommendations to the necessary degree.²⁵

²⁵ The content of this chapter has been taken from “Whistle-blowers in sport need more support”, comment by Christina

4.2.2. Harmonising governance standards

64. The topic of good governance of sport has actually been on the political agenda since the beginning of the nineties. The Council of Europe pioneered the first set of principles of good governance in sport with the adoption of the Committee of Ministers resolution in 2005 (Rec (2005) 8). Since then about 50 sets of good governance principles and codes have been forged at international and national levels, including by the IOC (Basic Universal Principles of Good Governance of the Olympic and Sports Movement (2008) and IOC Olympic Agenda 2020), European Team Sports Association (2008), UEFA (2009), UNESCO (2010), the Parliamentary Assembly (Resolution 1875 (2012)), European Union (2013), Australian Sports Commission (2015), the Association of Summer Olympic International Federations (ASOIF)(2016) and UK Sport (2016), FIFA (2016), IAAF (2017) etc. In addition, tools such as sets of indicators have been developed by academics, the civil society and sports organisations, the very latest by the Sport Integrity Global Alliance (SIGA) in September 2016. All these good initiatives have some common points but many different approaches and variables for benchmarking.

65. While largely consistent with one another, they all remain individual sets of standards, which do not provide a commonly agreed standard or benchmark upon which to build effective international compliance assessment and co-operation.

4.2.2.1. Revision of the standards of the Olympic Movement

66. The **IOC Basic Universal Principles of Good Governance of the Olympic and Sports Movement** (BUP) is the only binding international document, which could in theory be sanctioned upon. However, the governance criteria are vaguely formulated, which makes any sanctioning difficult. The BUP do not offer either a significant coherent policy for capacity building, advising or giving financial support.²⁶

67. In 2016, the Association of Summer Olympic International Federations (ASOIF) introduced its **Key Governance Principles and Basic Indicators** (KGP) for its 28 Summer Olympic Sports Federation, based on five dimensions²⁷, each of which is measured by 10 indicators. The ASOIF Governance Task Force committed itself to carry out an initial assessment of the implementation of these indicators by all IFs during 2016-2017. After the first round of self-evaluation, I understand that the IOC is rather agreeing that the ASOIF KGP should be extended to all International Olympic Federations. At a recent meeting in June 2017, the General Association of International Sports Federations (GAISF) indicated that, provided the ASOIF good governance self-evaluation proved successful, it might consider using the same ASOIF methodology, so that non-Olympic sport organisations could also be covered.²⁸ This indicates that GAISF, which is a body bringing together about a hundred sports organisations, is willing to propose to their organisations to adopt the ASOIF KGP as a benchmark. This in itself is a welcome development, for the ASOIF KGP is one of the most comprehensive set of governance principles and indicators, elaborated on the basis of the “Basic Indicators for Better Governance in International Sport (BIBGIS), developed by the Swiss Graduate School of Public Administration at the University of Lausanne (IDHEAP). However, on substantial grounds, the ASOIF KGP does not provide for imposing sanctions or financial repercussions for non-compliance.

68. With its Agenda 2020, the IOC took the commitment to periodically update its Basic Universal Principles. I hear the arguments expressed within the sports movement that opening up a debate on the BUP may create difficult discussions, but these discussions should not be feared: in nearly a decade, standards have evolved as is clearly evidenced by the comparative study undertaken by the Assembly team. In the first place, the IOC could be encouraged to **align its BUP and the indicators at least to those of the ASOIF Key Governance Principles and Basic Indicators, so that at least the Olympic family would speak with the same voice.**

69. However, on substantial grounds, the ASOIF KBP does not provide for imposing sanctions or financial repercussions for non-compliance, although it could use naming and shaming if it wished to. However, to this day, ASOIF has not shown any willingness to publish any of the results of their first self-evaluation, and I do not see the reason why this should voluntarily change in the future. Therefore, in the absence of credible

Friis Johansen, 21 November 2017

http://www.playthegame.org/news/comments/2017/050_play-the-game-2017-whistleblowers-in-sport-need-more-support/

²⁶ Presentation of Arnoud Geeraert, author of the SGO2015, at the PACE/ Play the Game public hearing on “Hands on, hands off The role of politicians in reforming sports governance”, 3 April in Aarhus, Denmark.

²⁷ Transparency, integrity, democracy, sport development & solidarity and control mechanisms.

²⁸ “First meeting of the informal Working Group on the “International Sports Integrity Partnership”, EPAS meeting report, 21 June 2017, EPAS (2017) INF 15.

sanctions or monitoring implementation, it is unlikely that IFs are sufficiently motivated to comply with the ASOIF KBP beyond the self-evaluation exercises.

70. With these constraints in mind, yet considering the arguments of almost all our key partners in this exercise for the need of a common benchmark applicable to sports organisations of various sizes and origins, I commissioned a study last summer to compare 15 major sets of standards, key principles and codes introduced by the sports movement (IOC, ASOIF, FIFA, EEUFA, IAAF), international organisations (CoE, EU, UNESCO), national and regional governments (UK, Australia, Flanders), NGOs (Play the Game, SIGA), academic research institutions (BIBGIS, AGGIS). However, my first-sight conclusion is that these standards and codes are very much complementary. They have evolved with time (2005-2017), with every new code trying to build up on the best practices of the previous ones. There are certainly some differences in the criteria and the way to measure them, but all in all it is possible to deduct basic common criteria or benchmarks from the latter

71. I would therefore encourage the IOC and all relevant stakeholders to use our comparative study and open up a debate between all these different partners on the basis of what genuinely constitutes the best practices of good governance, which could also evolve with time.

72. Based on these common criteria, I could envisage four different evolutions:

- 1) **bringing the IOC Basic Universal Principles up-to-date with modern sports governance standards;**
- 2) **at European level, elaborating a new Council of Europe Convention on Good Governance in Sport;**
- 3) **introducing a professional ISO certification on governance of sports organisations**
- 4) **preparing guidelines for the national governments to introduce their modern codes.**

73. These four options can be complementary, for each has their own remit: the revised IOC Basic Universal Principles would service the Olympic movement and other sports organisations who would volunteer to subscribe to them; a new Council of Europe Convention would commit European governments and other interested parties to respect and monitor good governance practices in their area; the ISO certification would encourage sports organisations worldwide to adopt certain policies and procedures that governments may request in counterpart for public funding. Finally, agreeing on a common benchmark would give an incentive and facilitate the adoption of clear and harmonised national codes all around the world.

74. It appears to me common sense that a harmonised set of agreed criteria or benchmarks could further create synergies and further enable creating proper foundations for compliance assessment and monitoring.

4.2.2.2. A new Council of Europe Convention on Good Governance in Sport?

75. The Council of Europe has been the pioneer in good governance issues since the adoption of the Committee of Ministers' recommendation Rec (2005)8 in 2005. Following the Budapest Ministerial Conference in November 2016, a new recommendation by the Committee of Ministers to the member States on the promotion of good governance in sport is in preparation. The Enlarged Partial Agreement on Sport (EPAS), is already engaged in gathering a collection of good practices on governance and preparing a handbook of good practices in sports governance.

76. Introducing a Council of Europe Convention on Good Governance in Sport would complement the existing conventional basis of the Organisation covering doping, match-fixing and spectator violence, bind its member States by the observance of the same harmonised standards and enable efficient monitoring of their implementation.

77. As a first step towards a Convention based monitoring of sports governance, the Council of Europe could already introduce a systematic review system of the national policies of good governance in sport and their implementation and produce a dashboard of the available monitoring results seeking their critical analysis.

4.2.2.3. Introducing an ISO certification standard on good governance in sport

78. From the outset of launching this report and in my quest to find pragmatic solutions, I was intrigued, why the sports world should not borrow the ideas from other sectors of business where certain procedures

have contributed to improving standards in life. I immediately thought that if there was a problem with harmonising standards, the International Standardization Organisation (ISO) should be able to offer a solution.

79. ISO declares its goals as “*bringing together experts to share knowledge and develop voluntary, consensus-based, market-relevant International Standards that support innovation and provide solutions to global challenges*”.

80. ISO standards are subjected to four basic principles:

- **ISO standards respond to the need in organisations:** ISO does not decide when to develop a new standard but responds to a request from industry or other stakeholders.
- **ISO standards are based on global expert opinion:** they are developed by groups of experts from all over the world, which are part of larger groups called technical committees. These experts negotiate all aspects of the standard, including its scope, key definitions and content.
- **ISO standards are developed through a multi-stakeholder process.**
- **ISO standards are based on a consensus.**

81. Today there exist two ISO certification standards that could be applied to the sports world:

- ISO 37001 (2016) – **Anti-Bribery Management Systems**
- ISO 20121 (2012) – **Event Sustainability Management Systems**

82. Sports organisations should be encouraged to subscribe to both of them. Notably ISO 37001 (2016) is a step forward in sports governance, which could be made conditional, for example, to those organising major sports events or who receive public subsidies of over a certain sum.

83. The ISO Technical Committee CT309, led by the British Standards Institution (BSI) with whom our committee had the opportunity to exchange views on 26 April 2017 in Strasbourg, is currently elaborating guideline standards on **Governance of Organisations** and on **Whistle-blowers**.

84. Under the same Technical Committee, there would be a possibility to develop **a new ISO certification standard on governance of sport organisations**. An international standard would be optimal and can be facilitated by a national standards body such as BSI proposing a new work item to ISO. **This usually takes around 3 years to publication.**

85. Given the urgency, it could be useful to develop a seed document for use prior to it being developed into a full ISO standard. This seed document can be developed through a **publicly available specification (PAS)**, which is a sponsored standard and offers the fastest solution (6-8 months). The PAS, which has gone through initial testing/pilot project, can then later on be developed into a full-fledged ISO certification standard.

86. The great advantage of introducing an ISO certification standard is its legitimacy: ISO standards are truly universal and their content is not contested. They are voluntary and support, but are separate from, legislation. The voluntary nature means that standards are ideal for establishing a means of cross-border compliance. They often encourage but do not require changing national legislation, which is usually a major obstacle to get an agreement or convention adopted. It is an existing structure, which requires no additional development costs. ISO certification is a plus for IFs that wish to show themselves as clean of corruption; it requires them to develop a series of concrete measures that are not currently a must under the IOC BUP or ASOIF KGP.

4.2.2. Monitoring and compliance assessment

87. The global harmonisation of standards goes hand in hand with the introduction of a proper monitoring and compliance assessment system of the implementation of these standards. Up until 2015, the sports movement at large was out of any scrutiny or assessment as regards the implementation of any of the codes or standards or principles.

88. Since then, a number of tools have been developed to measure good governance. Most notably these include the Sports Governance Observer tool (SGO 2015) and the National Sports Governance Observer 2017, developed by Play the Game, and the BIBGIS indicators developed at the University of Lausanne.

These tools consist of checklists whereby sports organisation can measure their level of compliance with certain good governance principles identified by the tool.

89. Whereas the adoption of harmonised standards and the monitoring and assessment of their implementation are fundamental elements of ensuring good governance, they cannot on their own instigate the change needed for successful governance reform in sport, nor help sports organisations looking to overcome some of the major issues they are currently facing, including damage to their reputation, mistrust from key stakeholders, mitigation of risks, etc.

90. The “ticking the boxes” and completing checklists though same weight non-motivated indicators are relevant for noting tendencies and major failures in the system; which has permitted - figuratively speaking - having a “scanner photo” for “diagnosing the gravity of the illness that the patient has identified himself by ticking the boxes of a list of symptoms”. However, this method would not allow identifying neither the source nor the course of the illness nor its development over time. Without a proper follow-up, counselling and assistance, this method of compliance assessment would not offer a magic wand for sports organisations looking for solving their underlining organisational and cultural issues or getting sports organisations out of the current governance crisis.

4.2.3.1. *Self-assessment*

91. In February 2016, ASOIF while introducing its Key Governance Principles and Basic Indicators (KGP) for its 28 Summer Olympic Sports Federation, committed itself to carry out an initial assessment of the implementation of these indicators by all IFs during the year. The results were reviewed by an external expert and announced at the ASOIF General Assembly on 4 April 2017.

92. The progress achieved by the setting up of the process in such a short time is impressive and to be welcomed. **Many experts and stakeholders agree that the ASOIF self-evaluation is a welcome step in the right direction. It is the first time IFs agree to enter into a compliance process on good governance.** On the other hand, it remains a self-regulation tool, which does not provide the necessary independence of the process that would produce reliable assessment, even if they have hired an external expert of undoubted integrity to verify and validate the results. Furthermore, the fact that the individual scores of IFs are not published but only released in the form of anonymous and aggregated results is not convincing or conducive to inspiring transparency or trust.

93. As regards the methodology used, besides the application of same weight non-motivated indicators that are not compared to actual practices, the First Review of IF Governance²⁹ itself pointed out the following limitations: the desk analysis of documents, procedures and structures does not take account of the actual behaviour and organisational culture; the questionnaire did not address some important and high profile topics such as gender equality, evidence of criminal activity or welfare issues; most of the scoring definitions describe a predominantly “quantitative” rather than “qualitative” view; the thematic division between sections in the questionnaire was pragmatic but is not claimed to be scientific; and there is a degree of subjectivity in the scoring, which explains the need to accept a margin of error.

94. ASOIF itself concluded that system used for **this first exercise needed a serious revision** and possibly a **different methodology** altogether for assessment in the future.

95. As regards further steps, I have been informed that between April and September, an ASOIF representative and the contracted external expert have been meeting almost all of the IFs separately to go through their individual results. Since April, the external expert has also been conducting a similar project with the Association of Winter International Federations (AIOWF), which is nearing completion. As announced in April, it is planned that the assessment exercise will be repeated starting again in November 2017 with an updated version of the questionnaire. It is not yet known as to whether the results will be public or not or whether there might be any sanctions imposed on those who don't make any progress.

96. I can accept that this first exercise remained confidential if this was the means to get all 28 ASOIF IFs on board; however, in order to enjoy credibility, the ASOIF leadership will have to publish the detailed data on the assessment of all its indicators and the results of any next round so as to compare them with an independent external assessment carried out by the Sports Governance Observer or other non-governmental bodies.

²⁹ <http://www.asoif.com/news/first-review-if-governance-presented-asoif-general-assembly> .

97. As regards the efficiency of the methodology, I must nevertheless underscore the weaknesses of self-assessment: it lacks objectivity and in-built mechanisms of control; the desk analysis of documents, procedures and structures does not take account of the actual behaviour and organisational culture; usually most of the scoring definitions are predominantly “quantitative” than “qualitative” (e.g. the existence of rules for an internal appeals process rather than how effectively the rules work); and the scores are not weighted.

98. Self-regulation only works when there is sufficient **external pressure** by stakeholders, by governments, by public actors or by international organisations. Today the external stakeholder pressure is unfortunately not strong enough. Creating change via motivation may work stronger.

99. There is also the crucial question of **the independence of assessment**. The ASOIF first exercise was made mandatory to all member organisations and carried out by the ASOIF Governance Task Force³⁰, the results of which were then verified by external experts from ‘I Trust Sport’ (UK-based sports consultancy company). The criteria were based on a system developed by Jean-Loup Chappelet, a Professor at the University of Lausanne who sits on the Task Force together with the IOC Compliance Officer and five other members. The results have not been published, nor even sent to individual IFs. As a next step, the ASOIF Task Force proposes consulting/advising its members. The entire process, starting from the development of the criteria, the assessment and the counselling thereafter all by the same group of stakeholders, clearly lacks transparency and independence, and thereby also the necessary credibility, or the interest for this method to be extended to other organisations outside the ASOIF system.

100. The above is a good example what needs to be avoided, and the Olympic movement still needs to work out the conflict of interest in this system as well as in its other recent attempts to create “independent” agencies, such as the Independent Testing Agency (ITA). **Any compliance assessment should be done in respect of the separation of powers: those who develop concepts and monitor/ advise/ counsel/ coach should never be involved in the control functions. In order to be credible, the assessment should be done by third-party professional agencies of impeccable international reputation, for example similar to existing financial or ESG rating agencies.**

4.2.3.2. Towards a model of Sports Ethics Rating

101. Introducing an international rating system for sports governance offers a solution that is similar to the ISO standardisation scheme in terms of being solicited (voluntary), elaborated through the involvement of key stakeholders, assessed by fully independent private service providers and results of the assessment would belong entirely to the organisation/federation assessed. In addition, it presents the **bonus of being more dynamic and encouraging positive competition within sports organisations**. The rating can fluctuate with time, giving the organisations a possibility to improve, but also to lose their credit points when corruption cases emerge. It thereby **contains a competitive element against desired target goals, which can give sports organisations incentives to improve their governance performance over time**.

102. Similarly to ISO certification, both international and national federations and clubs of different sizes and legal statutes could benefit from the independent evaluation that is voluntary and professional. The rating system has proved reliable in the economic world touching companies and countries. Professional agencies base their evaluation on scientific modules and algorithms as opposed to sources of academic research; they have solid and credible methodology, which could be adapted to the specificities and existing codes and principles in the sports environment.³¹

103. The rating process is generally an **annual cycle** during which the organisation is being rated based on a **scientific algorithm** using **weighted indicators**. Rating criteria are regularly reviewed and reactive to changes (fluctuations modify the algorithm). Besides, all professional rating agencies share the following “golden rules” upon which they:

- guarantee full independence from entities under rating and governing bodies;
- do no consultancy in order to avoid cases of conflict of interest;
- have in-built separation of powers and control mechanisms;

³⁰ It's 10 members represent high-function personalities from ASOIF(2), IOC(2), IFs (3), WADA (1), arbitration (1), academia (1). <http://www.asoif.com/governance-task-force>

³¹ Whereas most rating agencies in the world deal primarily with financial corporate rating, I have identified a specialised sustainability rating agency Standard Ethics which delivers opinion on the level of compliance by companies and sovereign nations in the field of good governance, CSR and end environmental sustainability. For further details: <http://www.standardethics.eu>.

- have internal independent controlling bodies (Compliance Officer, Rating Committee).

104. As was explained by the experts at our hearing on 26 April 2017, the sustainability rating system proposed by Standard Ethics (SE) is capable of assessing what the models used by ASOIF or the Sports Governance Observer or the most recent SIGA Universal Standards on Good Governance or ISO fail to assess: **the change in the organisational culture over time**. Rating is “**a living tool**” as its algorithm is capable of taking into account every new reference or change in the standards. The advantage of the SE rating is also that it offers **both solicited rating** (whereby the results will be owned by the federation or club that has solicited the rating) and **unsolicited rating** (which can be done upon a request by an umbrella sport governing body or a government).

105. If the system proves adaptable and applicable to a critical mass of sports organisations, it could be used in the future as leverage for allocating public funding or when deciding on venues for major sports events. The advantage is also in the comparatively short time requirement for its elaboration.

106. As mentioned before, the self-evaluation round completed by ASOIF Governance Task Force offers a good opportunity for identifying the strengths and pitfalls of its IFs as compared to its five Key Governance Principles of transparency, integrity, democracy, sports development and solidarity and control mechanisms. The performance of the same IFs has also been assessed by the Sports Governance Observer in 2015 along their established indicators. Whereas the former lacks the necessary independence for being considered fully credible by all stakeholders, the latter has the deficit of having been carried out mostly on unsolicited basis, thereby missing much of the valuable information from “inside”. Both have the same limitations. **A sports governance rating could fill that gap and offer a more reliable solution for ASOIF's next assessment procedures. It also presents the supplementary advantage of professional non-advocate, non-stakeholder neutrality while working on solicited (voluntary) basis.**

107. **Professionalising good governance evaluation through an independent rating system** would be well in line with the ASOIF GTF vision on the future steps to be taken in encouraging federations to perform. The federations which are **able and willing to commit resources and staff for implementing more advanced indicators** might be willing to receive a bonus mark for their efforts through a proper governance rating system. Furthermore, the GTF sees as its third step the establishment of a management system to ensure the proper support for IFs in the implementation of all principles and indicators. **The establishment of a proper management system should be accompanied by a fully independent professional system rather than on stakeholder evaluation.** That system would also have the **flexibility to incorporate and absorb any new evolving governance principles and benchmarks.**

4.2.4. Who should be responsible for harmonising standards and introducing monitoring and assessment?

108. There is a lack of strong leadership in the sports movement today for taking the sports governance and integrity matters at hand. At the same time, there is a clear move towards involving new stakeholders in sports policy making, and notably the new multi-stakeholder platforms and alliances that are looking for to take lead in seeking global solutions.

109. In 2016, two parallel initiatives emerged: the Sports Integrity Global Alliance (SIGA), led by the ICSS, and the International Sports Integrity Partnership (ISIP, later renamed International Partnership against Corruption in Sport - IPACS) led by the IOC-ASOIF-CoE-OECD. IPACS has embarked on bringing together the sports movement, national governments and international organisations for looking into harmonising procedures and the understanding of governance criteria; SIGA has clearly defined its priorities in sports governance, financial integrity and betting integrity, worked out its own universal standards and declared its readiness to focus on assessment and rating.

110. All these are highly positive tendencies. I should nevertheless call upon the new multi-stakeholder platforms that any monitoring, assisting and consulting must be strictly be kept apart from compliance control, which for the sake of guaranteeing full independence, must be carried out by an external professional fit for purpose agency. **Advisors should not be judges!**

111. I further wish that these new multi-stakeholder initiatives could build on their synergies and experiences and co-operate well in their respective domains.

4.2.5. The role and independence of Ethics Committees

112. Since the launch of this report, I have been pleased to observe the ever-growing number of emerging codes of ethics or conduct and the setting up of an increasing number of Ethics and Disciplinary Committees within international sports governing bodies. Independence is key to the functioning of any such body. I therefore urge sports organisations where such committees have been created, to grant these bodies full structural, budgetary and operational independence. Members of these committees must be free from any undisclosed, actual or potential conflict of interest.

113. In July 2017, the Lausanne-based International Management School IMD released a Governance Review, commissioned by the IOC, which made several policy recommendations as regards the strengthening of the IOC Code of Ethics and the functioning of the IOC Ethics Commission, including introducing a standard and codified procedure for reminding IOC members of their obligation to respect the Code of Ethics; and calling upon the IOC to grant its Ethics Commission more independence to investigate cases of ethical misconduct, provide it an independent secretariat and budget, and strengthen its sanctioning powers and sanctions for non-compliance in cases of conflict of interest.

114. I welcome the recent appointment of Mr Ban Ki-moon, former UN Secretary General, as Chairperson of the IOC Ethics Commission and count on him to make it an exemplary body with teeth and independence.

4.3. Pillar 3: Inclusive action and knowledge-sharing

4.3.1. New multi-stakeholder partnerships

115. As mentioned already above, at an international multi-stakeholder level, the emergence of two partnerships is particularly noteworthy: the Global Sports Integrity Alliance (SIGA) and the International Partnership against Corruption in Sport (IPACS).

4.3.1.1. *The Sports Integrity Global Alliance (SIGA)*

116. SIGA was set up in January 2017 with a declared goal of working towards a vision of sport played and governed under the highest integrity standards, free from any form of unethical, illicit and criminal activity, to safeguard sports values and ensure its positive impact and benefits to all citizens. The declared mission of SIGA is to provide global leadership, promote good governance and safeguard the integrity of sport through a set of universal standards operated by an independent, neutral and global body.

117. A year from its launch, SIGA stands out by being independent and multi-stakeholder in nature. Founding members and founding supporters include stakeholders such as national, regional and international sports organisations as well as governments, inter-governmental bodies, sponsors, sports business, media, financial institutions, NOGs, academia and professional services. The Alliance also stands out by offering a mix of universal standards on good governance in sports, financial integrity and betting integrity, and a comprehensive implementation network, which takes into account that sports organisations are very different in size, resources and specific governance challenges.³²

118. Looking at the mandate that SIGA has taken upon it, while understanding its eagerness to find quick-fix solutions for a better management of the sports world, I would advise them against trying to assume all roles at the same time. It should clearly define its remit, set a strategy for the years ahead and communicate it clearly.

4.3.1.2. *International Partnership Against Corruption in Sport (IPACS)*

119. IPACS (originally launched as the International Sports Integrity Partnership (ISIP)) was announced on the occasion of the 2nd International Forum of Sports Integrity (IFSI), which was called by the International Olympic Committee last February in Lausanne. According to the IFSI declaration, it aims to be a multi-stakeholder platform that brings together governments, sports organisations and international organisations to promote transparency, integrity and good governance.

³² Pedersen, M., Good governance: The foundation for playing a beautiful game, Ethical Boardroom, Summer 2017, <https://ethicalboardroom.com/good-governance-the-foundation-for-playing-a-beautiful-game/>

120. It is premature to speculate on the success of this process, but it is positive that **key international sports organisations have agreed to establish an informal but structured and regular dialogue with governments and a small selected group of international organisations on the fight against corruption and the promotion of good governance.**

121. Little has been publicly unveiled regarding the new platform's concrete objectives, nature and operations. On 21 June, a selected group of organisations and government representatives calling itself the Informal Working Group, met in the Council of Europe's Paris office³³. The meeting agreed to rename the partnership as "Partnership against Corruption in Sport (IPACS) and defined its mission statement as follows: *"To bring together international sports organisations, governments, inter-governmental organisations, and other relevant stakeholders to strengthen and support efforts to eliminate corruption and promote a culture of good governance in and around sport"*³⁴

122. The informal Working Group expressed strong support for working on three key aspects:

- reducing the risk of corruption in public procurement in the context of sports events,
- ensuring transparency and integrity in the context of venues for sport events, and
- compliance with good governance principles in the context of sport settings, focussing on the aspects of term limits, financial transparency and conflict of interest.

123. The meeting also discussed what the next steps should be and the idea of gathering the partnership in a broader plenary setting and having high-level meetings at ministerial level to generate political will for the partnership to generate further momentum between working group meetings. It was agreed to meet again in December 2017 in Paris (hosted by the OECD).

124. I commend the pragmatic approach adopted by this informal Working Group. Some questions however remain: could IPACS grow from this elite group of the selected few into a credible and inclusive international multi-stakeholder partnership gathering on the one hand not only the key Olympic family members but also representatives of diverse sports movements and athletes, and on the other hand a wider group of stakeholders such as relevant civil society organisations and representatives of the academia, press or sponsors?

125. I hope that IPACS will soon meet in a plenary setting open to all interested states and allowing a broader involvement of other stakeholders, including sports industry, media, sponsors, NGOs, researchers, etc. This plenary setting should also decide on the composition of the Working Groups

126. Transparent organisations set a tone of openness, accessibility and accountability for others to follow, building confidence among stakeholders and the public. Therefore, international partnerships like the IPACS and SIGA are key to moving beyond words into action, and both are valuable.

127. What I consider very important in these international partnerships, and what I am currently missing in the IPACS – is that they must apply themselves the principles of good governance, transparency and reciprocity. They should themselves be on top of the game in terms applying the principles they preach.

5. Concluding remarks

128. International sports governance is at crossroads today. Never before have sports faced such unprecedented loss of trust vis-à-vis its various stakeholders, but never before have the different stakeholders have as much say in sports governance and integrity matters. The sports movement, from the top to the bottom, will have to get its house in order and reform its functioning in terms of checks and balances, transparency of procedures or accountability. However, the stakeholders – be it governments, public actors, international organisations or sponsors – should also insert more external pressure and demand bolder reforms.

³³ The following international and government bodies were invited: IOC, ASOIF, ANOC, GAISF, CoE, OECD, UNODC, Commonwealth Secretariat, the governments of UK, Argentina, France, Germany, Japan and USA.

³⁴ "First meeting of the informal Working Group on the "International Sports Integrity Partnership", meeting report, 21 June 2017, EPAS (2017) INF 15.

129. There is a lack of strong leadership in the sports movement today for taking the sports governance and integrity matters truly at hand. The IOC definitively has to make more headway and not only proactively respond to recent corruption problems concerning bidding processes or doping scandals, but also show its commitment and sense of initiative when it comes to reviewing its Basic Universal Principles, its host city selection processes, or removing any conflict of interest in the composition of its Ethics Commission.

130. Overall, the sports world must make a quantum leap forward in introducing a modern governance culture. In order to achieve this, it needs first and foremost to restore **public trust** in clean sports and sports leadership that would be capable of governing the sports movement according to contemporary best practices of governance standards. This requires a real will and major efforts from international umbrella organisations (IOC, ASOIF, AIOWF) and international and national federations alike.

131. There is also a dire need for:

- **ending with impunity** for corruption in the sports world, through improved international and national legislation and engagement of law enforcement agencies;
- **introducing functioning sticks and carrots** to sports governance, including through proper monitoring, assessment and coaching of sports organisations;
- **developing inclusive multi-stakeholder platforms** for sharing information and practice.

132. The current void of strong leadership could possibly be filled by a new more inclusive and democratically run international multi-stakeholder platform or alliance that would dare to set the targets high and be bold enough to live up to the declared ambitions. This body could take the lead in:

- bringing all stakeholder groups on board in **defining the common governance standards/benchmarks in sports governance**. In order to facilitate the universal acceptance of this set of standards/benchmarks, they could be elaborated through the system of a globally recognised and indisputable standardisation body, e.g. through creating an ISO certification standard on good governance in sport;
- offering **monitoring, consultancy and coaching** sports organisations of various sizes in order to help them through **institutional reforms**;
- setting up an independent professional **compliance assessment of the implementation of the accepted basic standards** as a prerequisite for getting truthful, objective and credible results of the evaluation.

133. Any compliance assessment should be done **in respect of the separation of powers: those who develop concepts and monitor/ advise/ counsel/ coach should never be involved in the control functions. In order to be credible, the assessment should be done by third-party professional agencies of impeccable international reputation similar to existing financial or ESG rating agencies.**

134. I believe that **both the ISO standards and sports ethics rating could offer viable alternatives, and they are far from being mutually exclusive.** Rating actually takes over where ISO certification stops.

135. An effective assessment and rating system cannot function independently: it requires a more global and holistic approach by creating inter-linkages between the development, assessment, monitoring, reviewing, consultancy and training, capacity building and the participation of the principal actors – sports organisations at all levels.

136. It goes without saying that various stakeholders, including the sports movement, relevant international bodies, government and civil society experts should be involved in the conceptualisation of the basis for working out benchmarks and criteria for ISO and rating algorithms. This could even provide an additional incentive for a faster conclusion of the common governance benchmarks within the same process.

137. Governments as stakeholders should be interested in both the subscription to ISO standards and in the independent international rating system. Although first and foremost meant for international sports federations, it does not mean that national federations or clubs should not be encouraged to participate in the same schemes. Obtaining an ISO certification or positive rating results could well become linked to

public funding and subsidies.

138. In the long-term vision, **the ideal solution would be to create a global Sports Governance Foundation which would have its own multi-stakeholder board of advisors, a proper board of directors and independent funding.** This Foundation could work globally for all: on the one hand finance the creation and evolution of a rating model and then either outsource the rating to “Standard Ethics” or create a specialised rating structure of its own. At the same time, the Foundation could offer grants to sports organisations that are willing to voluntarily solicit their rating (which would remove the argument that smaller organisations could not afford it) and to governments or sports governing bodies who commission unsolicited rating.

139. Finally, in all the work I have carried out in the last two years, I observe that whereas there is an ever stronger input of national governments into the debate of sports governance and integrity, there is no co-ordinated parliamentary action or international parliamentary partnership that would allow MPs to have a credible stakeholder voice in the current debate outside the scope of individual reports. To this end, I propose setting up a **Parliamentary Alliance for Good Governance and Integrity in Sport** with the aim of bringing together national parliaments and international parliamentary bodies around a meaningful discussion on sports governance and integrity issues. This Alliance could have as a first task to contribute to the preparations of the 15th Council of Europe Conference of Ministers responsible for Sport in October 2018 in Tbilisi and to hold a parliamentary conference on the margins of this event.