



## **ASOIF Governance Task Force (GTF) Report Approved by ASOIF General Assembly 2016**

Since 2012, ASOIF and its members have held annual high-level discussions and workshops on the state of governance within International Olympic Sports Federations (IFs). Other relevant bodies have attended, including the winter Olympic IFs and the IOC.

During these discussions, a number of important items were debated (including the separation of powers, the composition of executive and legislative bodies, conflicts of interest, methods for elections, limits on number of terms of office, age limits, transparency, ethics, the awarding of events and match-fixing, etc.). ASOIF members were able to share best practices and agree on key governance concepts. The complexity of the issues and the different types, sizes and cultures of the organisations involved made it challenging for ASOIF to reach definite conclusions that could have led to universal recommendations.

Since then, both confirmed and alleged cases of corruption and mismanagement have been uncovered in major sports bodies. Because of their magnitude and gravity, these cases have been widely reported in the media, leading to general concerns from the public at large over how IFs are structured and managed. These cases have tarnished the image of sport and there have been requests for ASOIF to take a leadership role to maintain and build trust and legitimacy in IFs.

As a result, governance was the main theme under discussion at the most recent IF Forum held in Lausanne, 11-13 November 2015. On this occasion, ASOIF President Francesco Ricci Bitti took a firm stance noting that it was now time to move from accepting basic principles to applying clear indicators and assessment mechanisms. He submitted to the members in attendance a statement that was unanimously supported:

*“Today the IFs welcome and accept the IOC’s invitation to work together to not only establish indicators and assessment mechanisms, but to promote their use within their respective sports. The objective of this undertaking is to ensure that the state of governance within sports institutions can be readily assessed publicly and monitored on an ongoing basis. This will be done in an inclusive manner, taking into account best practices and using the most appropriate available tools so as to not only establish the right processes, but to promote and ensure a CULTURE OF GOVERNANCE within all sport Federations.”*

As a follow-up to the IF Forum declaration, the ASOIF Council met on 24 November 2015 and formally established an ASOIF Governance Task Force (GTF) whose duty is to make sure that earlier discussions are now followed by concrete, transparent and measurable actions. The GTF will analyse the *status quo* and monitor progress with regular reporting to the ASOIF Council and members.

The GTF is composed as follows:

- Francesco Ricci Bitti (Chair, ASOIF President),
- Patrick Baumann (FIBA Secretary General, IOC Member and ASOIF Council Member),
- Jean-Loup Chappelet (Prof. at IDHEAP Swiss Graduate School of Public Administration at the University of Lausanne)
- Benjamin Cohen (Director, European Regional Office and International Federation Relations, WADA),
- Paquerette Girard Zapelli, (Chief Ethics and Compliance Office, IOC),



- Luis Fernando Lima (FIVB Secretary General),
- Alexander McLin (Executive Director, ASA – Swiss Arbitration Association),
- Denis Oswald (FISA Honorary President, IOC Member and CIES Director),
- Andrew Ryan (ASOIF Executive Director),
- Ingmar de Vos (FEI President)

On 9 December 2015, the first meeting of the GTF was held in Lausanne. During this meeting, the GTF agreed on indicators and measurement systems for governance tailored to the specific characteristics and needs of the IFs.

The current document was presented by the GTF to the ASOIF Council meeting of 26 February 2016.

## I. General Framework of Sport Governance

Over recent years, there has been an increased number of publications on sport governance. Many experts, at times self-proclaimed, have approached IFs with a view to advising them on how to improve their governance.

Governmental and non-governmental organisations alike have published extensively on sport governance (e.g. the European Union, the Council of Europe, Transparency International, One World Trust, Play the Game, ICSS, Pricewaterhouse Coopers, etc.).

Scholars and national organisations (sport and governmental) have also been active on this front since the early 2000s. A number of measurement systems have been proposed and applied. These have, however, often been adapted from corporate governance models, which may or may not be appropriate in every circumstance. Often, they are overly focused on regulation at the expense of promoting an appropriate governance culture within an organisation, and fail to address the specificities of the international sports bodies. These IFs, many based in Switzerland, usually are “associations” under Swiss federal law (those located elsewhere also holding a similar status). All IFs require funds and commercial revenues in order to fulfill their mission to promote and develop sport at world level. These revenues are essentially re-invested in development programmes (e.g. grassroots activities, coaching courses, infrastructure, sports equipment and sports events etc.). As a result, the governance of IFs requires an application of both “not-for-profit” organisations’ and corporate entities’ governance models.

While the sports movement – and IFs in particular – welcome any initiative aimed at promoting better governance in sport, it must also ensure that these initiatives take due regard of the following key aspects:

- **The complex environment in which international sport evolves**, where IFs have a statutory duty to first and foremost protect the interests of their national member associations/federations while taking into account the interests and (at times, diverging) views of all its stakeholders (athletes, officials, clubs, leagues, event organisers, fans, media, public authorities, etc.);
- **The specificity of sport**, whereby sport is uniquely rooted in society through the social, educational, health, economic and recreational values it generates;
- **The International Federations’ 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;



- **The International Federations’ international nature (as opposed to national, regional or continental)**, requiring any measure to be capable of being implemented worldwide taking into account the various cultures and levels of development among nations.
- **The pyramidal structure of sport**, universally accepted and recognised, whereby an athlete joins a club which is a member of a national federation or association which in turn is a member of an IF. IFs are therefore the world governing bodies of their sports responsible for the globally applicable rules and regulations that determine the basis of, and enable, international competition.

With these specific aspects in mind, the GTF considers that the sports movement itself is best-placed to fully understand its environment and its specific challenges and thereby to carry out an accurate and relevant assessment of the governance of its constituents. The sport movement is therefore also in the best position to enact the key governance principles and indicators all IFs must abide by.

In doing so it is clear that due regard must be paid to existing best practices, developed standards and recognised publications. The GTF is of the opinion that most of the issues faced by the sports movement today could be avoided if existing governance principles were not only strictly applied by all IFs, their officials, stakeholders and members, but also publically articulated and openly and regularly measured and assessed by the sport movement itself, or by external observers where necessary.

The GTF therefore notes that while new standards and indicators may need to be developed as IFs grow and improve their governance processes over time, there currently exists a wide range of existing standards and applicable measures which can adequately tackle the current issues facing the sport movement.

## II. GTF Guiding Principles and Considerations

Given the nature of the challenges faced by IFs, the GTF adopted the following principles and considerations intended to ensure the individual autonomy of each IF while seeking to provide meaningful support to ASOIF members.

1. Each IF owns its evaluation and monitoring system. To the extent the system proposed by ASOIF can be modified, every IF is free to adopt as much or as little as it deems appropriate for its organisation. ASOIF is committed to helping its members determine and set its own standards, and to encourage them to monitor their individual progress against these standards. IFs engage in the initial evaluation process of all ASOIF members led by the GTF with the understanding that its aim is to create a baseline which IFs will be able to use as a tool to gauge progress and set objectives for future progress. To the extent possible, IFs are encouraged to provide the greatest degree of transparency in their Governance Monitoring Systems (GMS), in order to maximise the potential to build trust in the IF’s governance system.
2. ASOIF is committed not only to supporting its members in the adoption of standards, but also in ensuring regular evaluation and reporting against adopted standards. How often and in what form to report on progress is an IF decision. After (or in parallel) to the initial evaluation of the 28 ASOIF members, each IF’s individual approach should ideally be communicated independently. This can include an explanation of which standard has been adopted and why, together with an indication of the frequency with which monitoring and reporting will occur.

3. The credibility of a system chosen to evaluate a given IF is dependent on various factors, among them (1) the relevance of the indicators, (2) the identity and background of parties performing the evaluation, (3) the consistency of the evaluation approach, and (4) the consistency in reporting approach, allowing for meaningful assessment of progress. The ASOIF GTF will consider ways to address each of these factors so as to ensure transparency and objectivity, and the resulting credibility of the process for ASOIF members. For purposes of performing the initial evaluation, the GTF intends to use a combination of internal (IF-appointed) and external (ASOIF-appointed) individuals familiar with the issues in order to produce the relevant data. The purpose of the external experts is twofold: (1) it brings a level of objectivity to the process that would not be present in a self-evaluation, and (2) it ensures a common set of perspectives ensuring consistency across IFs. The purpose of internal experts ensures that the particularities of individual IFs are properly considered.
4. Evolution. What may be considered as a best practice in IF governance today may no longer be the case in a few years. For a system to be the state of the art, it must also evolve accordingly. ASOIF is ideally positioned not only to support its members in the implementation of governance systems, but also to centralise the best practices of its members and to develop solutions based on the specific challenges encountered by its members in this area. It is committed to gather data and input from ASOIF members during the initial evaluation process, and thereby calibrate its own model standards at regular intervals so that the process can become more robust, complete and fine-tuned over time.
5. Support. ASOIF is spearheading this effort because its leaders and members believe that good governance is not an option. Without it, autonomy is not deserved, nor is it therefore sustainable as a principle underlying the organisation of world sport. In order to continue to promote high standards of governance, ASOIF is ready to work with its members by providing services customised to individual IF needs and budgets in order to optimise the level of good governance within its member organisations.

### **III. Recognizing Deficits and Prioritizing Actions**

Thanks to – but also because of – the large degree of organisational and operational autonomy it enjoys, the sport movement has long been evolving in relative isolation, largely free from outside scrutiny and interference.

However, the serious cases that have affected sport recently, highlighted to all the limits of rules governing IFs and the seeming relative absence of control over their management. If one adds to this the significant increase in resources generated by IFs over the last two decades and the number of high-profile decisions they have issued, fertile ground is created for the public's (and often public authorities') perception that IFs:

- lack adequate transparency;
- are insufficiently democratic;
- generate disproportionate profit;
- somehow operate beyond the reach of the law.

While many involved in sport may challenge this perception or contend that these criticisms apply to a minority of organisations and officials only, the GTF is of the view that it is ASOIF's duty to recognise these deficits (whether perceived or real) and address them adequately as a matter of priority. This is due to the fact that such public perception seriously tarnishes the image of sport and threatens the autonomy of the sport movement, as well as the latter's ability to generate resources to promote sport and its positive values for society.

Leaving the general public's perception aside, those who are more familiar with IF structures and operations will certainly agree that the following five areas are the most sensitive, namely those that raise most concerns when debating what constitutes good governance within the international sport movement:

- Democracy and stakeholder representation:
  - In most IFs, only national member federations vote. Their views may not represent that of all players, clubs, leagues and other stakeholders active at national and international level
  - “one federation – one vote” principle or weighted system (e.g. according to membership numbers)
  - separation of powers
  
- Transparency:
  - making public financial statements and event reports
  - declaring all financial compensation for elected officials (e.g. per diem, travel conditions, honorarium, etc.)
  - financial contributions to national member federations and solidarity programs
  - public tender for external partners, service providers, etc.
  
- Composition of executive bodies / term and age limits / conflicts of interest:
  - appointment vs election, and by whom?
  - geographical/gender quotas
  - length of terms
  - eligibility criteria and independent bodies to review nominations and elections
  
- Awarding of major competitions and events:
  - bidding and award/voting processes for major competitions
  - Human rights, sustainability, cost control, etc.
  
- The fight against doping and match-fixing

Becoming fully aware of ASOIF members' respective challenges in the above areas must be the first step ahead of any action plan aimed at improving governance in IFs. Consequently, the GTF considers that these areas should be reviewed as a priority and that clear indicators should be developed, implemented and regularly monitored.

#### **IV. Existing, Codified and Applicable General Principles for IFs**

IFs are one of the three pillars of the Olympic Movement. As such, they must recognise and strictly apply the main texts enacted by the IOC in the context of governance:

##### **A. The IOC Charter**

In particular, the fundamental principles of Olympism and Rule 26 (Missions of IFs).

##### **B. The World Anti-Doping Code**

The Code is the fundamental and universal document upon which the World Anti-Doping Programme in sport is based and all IFs must be compliant with the Code.

##### **C. The IOC Recommendations contained in the Agenda 2020**

In particular, the recommendations dealing with: bidding processes (Rec. 1-3), sustainability (Rec. 4-5), forging relations with professional leagues and event

organisers (Rec. 6-8), gender equality (Rec. 11), non-discrimination (Rec. 14), clean athletes (Rec. 15-17), education (Rec. 22), engaging with communities (Rec. 23), solidarity programs (Rec. 24), transparency (Rec. 29), independent ethics commission (Rec. 30), compliance (Rec. 31), ethics (Rec. 32), age limit (Rec. 37), targeted recruitment (Rec. 38) and fostering dialogue with society (Rec. 39).

**D. The IOC Code of Ethics**

In particular, the rules concerning conflicts of interest and - *mutatis mutandis* - the rules of conduct applicable to countries/cities wishing to organise IF major competitions.

**E. The IOC Basic Principles of Good Governance of the Olympic and Sports Movement**

These basic principles form an integral part of the IOC Code of Ethics. All 7 principles contained therein are applicable in full.

**F. The Olympic Movement Code against the Manipulation of Sport Competitions**

The Code is applicable in full.

**V. Recommended Key Governance Principles and Basic Indicators**

The GTF further recommends that the following five key governance principles be immediately embraced by all IFs in all their respective activities, decisions, processes and regulations:

1. Transparency
2. Integrity
3. Democracy
4. Sports Development & Solidarity
5. Control Mechanisms

It is recommended that these five key principles should be included by IFs in their statutes, rules and regulations through simple and easily measurable indicators as appropriate to the particular circumstances of each IF. It is noted that over time and as IFs improve their governance structures and policies, more sophisticated indicators will come into play.

**1. Transparency**

Make the following information public (i.e. place in public domain e.g. via official website):

- Statutes, rules and regulations
- Organisational charts for staff, elected officials and committee structures, and other relevant decision-making groups including Remuneration Committee
- Vision, mission, values and strategic objectives
- A list of all national member federations providing basic information for each
- All elected officials with biographical info
- Annual activity report and main events reports
- Annual financial reports following external audit
- Allowances/financial benefits of elected officials and senior executives
- General Assembly agenda with relevant documents (before) and minutes (after) with procedure for members to add items to agenda
- A summary of reports/decisions taken during Board & Commission meetings and all other important decisions of IF

**2. Integrity**

- Incorporate in statutes all appropriate ethical principles which align with and embrace the IOC Code of Ethics and are applicable to all members, officials and participants
- Have clear rules to guard against conflicts of interest
- Establish regulations which comply with the WADA World Anti-Doping Code and ensure that their members comply with it
- Establish regulations to tackle match-fixing and manipulation of competitions in accordance with the Olympic Movement Code against the Manipulation of Sport Competitions
- Establish confidential reporting mechanisms for “whistle blowers” together with some form of protection for individuals coming forward with information
- Respect principles of sustainable development and regard for the environment
- Put in place integrity awareness/education programmes
- Provide for appropriate investigation of threats to sport integrity
- Cooperate with relevant public authorities on integrity matters
- Make public all decisions of disciplinary bodies and related sanctions, as well as pending cases where and as applicable

### **3. Democracy**

- Election of the President and a majority of members of all executive bodies
- Clear policies to ensure election candidates can campaign on a balanced footing including opportunity for candidates to present their vision/programmes
- Elections process with secret ballot under a clear procedure/regulations
- Make public all open positions for elections and appointments including the process for candidates and full details of the roles, job descriptions, application deadlines and assessment
- Establishment and publication of eligibility rules for candidates for election, including due diligence assessment prior to election/appointment
- Term limits for elected officials
- Provide for the representation of key stakeholders (e.g. active athletes) in governing bodies. Due regard shall also be paid to gender representation and the enactment of policies encouraging gender equality in all governing bodies
- Main decisions are taken on basis of written reports supported by criteria, with opportunity for a secret ballot at request of voting constituents
- Defined conflict of interest policy with exclusion of members with a manifest, declared or perceived conflict
- Governing bodies meet regularly: the General Assembly ideally once a year

### **4. Sports Development & Solidarity**

- Transparent process to determine allocation of resources in declared non-profit objectives
- Redistribution policy and programmes for main stakeholders
- Monitoring / audit process of the use of distributed funds
- Existence of environmental responsibility policy and measures
- Existence of social responsibility policy and programmes
- Education programmes for coaches, judges, referees and assistance to athletes during and after career
- Due regard is paid to gender and geographical representation through guidelines
- Legacy programmes to assist communities in which events are hosted
- Anti-discrimination policies on racial, religious or sexual orientation
- Cooperation with relevant public authorities on social responsibility issues

## 5. Control Mechanisms

- Establish an internal ethics committee with independent representation
- Establish an internal audit committee that is independent from the decision-making body and reports directly to the members
- Adopt accounting control mechanisms and external financial audit
- Adopt policies and processes for internal control and risk management system
- Adopt policies to prevent commercial interests from overriding sporting regulations e.g. conduct of draws
- Observe open tenders for major commercial and procurement contracts
- Decisions can be challenged through internal appeal mechanisms on the basis of clear rules
- Due diligence and effective risk management in bidding requirements, presentation, assessment and allocation of main events
- Awarding of main events to follow an open and transparent process
- Internal disciplinary procedure with appeals process and final recourse to the Court of Arbitration for Sport

## VI. Next Steps

Following its endorsement by the ASOIF Council at its meeting on 26 February 2016, the GTF presented and submitted this paper to the 2016 ASOIF General Assembly which unanimously accepted the principles and recommendations enshrined herein.

During the final quarter of 2016, the GTF will contact all ASOIF members in order to jointly evaluate the current status of each member against the principles and indicators set out above. The aim of this undertaking will be to develop a comprehensive baseline report using the “must-have” indicators outlined above in order to publish a preliminary report by the end of first quarter of 2017.

The GTF is of the view that all ASOIF members are in a position to embrace and implement the principles and indicators contained herein. The GTF is conscious that their implementation and the degree to which these principles and indicators apply may vary on a case-by-case basis. Indeed, each IF must approach them taking into account, among others, its specificities (e.g. individual vs team sport), the legal framework under which it is established (e.g. Swiss law, UK law, etc.) and the resources at its disposal. The GTF will be at the disposal of each ASOIF member to advise and support the design of individual implementation tools as appropriate and necessary.

The GTF wishes to further explore the possibility of establishing principles and indicators which may not currently be a “must”, but towards which all IFs should aspire, with a view to constant and ongoing improvement of our respective organisations. Within this framework, certain advanced indicators could apply, as a first step, only to those IFs able and willing to dedicate concrete resources and staff to this endeavor.

Finally, having defined the principles and indicators, as a second step the GTF will assist in implementing the assessment/measurement and thirdly establish a management system to ensure the proper support for IFs in the implementation of all principles and indicators contained herein. This will be achieved keeping in mind that governance is constantly evolving and may therefore require updated assessment criteria as time goes by and as new indicators come into play.