

Three years of reform – what is the impact?

The Sports Governance Observer 2018 report

13 November 2018

Dr. Arnout Geeraert

Assistant Professor, Utrecht University School of Governance

Research fellow, Leuven International and European Studies, KU Leuven

Content

Focus: international sports federations

- **Scandals and allegations:** corruption in international sports federations
- **Pivotal actors:** fight against doping, match-fixing, human trafficking, fraud, money laundering in sport

Three questions

1. How do we make international federations **resistant to corruption**?
2. How do we make international federations **effective**?
3. What is the **status quo**?

How do we make IFs resistant to corruption?

Increased motives for corruption

Commercialisation of sport



Money and power: motives to use money to obtain power, or to use power to obtain money

Instrumentalisation of sport by politics



Struggle for medals: increases undue political influence



Bidding contests to host large sporting events: increases undue political influence

Opportunities for corruption

Cultural



Cultures of corruption: corruption is not considered illegal or immoral but the normal way of doing business

Structural



Lack of good governance: unlikely that corruption will be discovered and punished

How do we make IFs effective?



Transparency refers to the reporting of the organisation's own internal workings, which allows others to monitor these workings .



Democracy free, fair and competitive elections; actors' involvement in decision-making processes that affect them; and fair and open internal debates .



Accountability refers to both the separation of powers in the organisation's governance structure and a system of rules and procedures that ensures that staff and officials comply with internal rules and norms



Societal responsibility refers to deliberately employing organisational potential and impact to have a positive effect on internal and external stakeholders and society at large.

How do we make IFs effective and resistant to corruption?

Good governance and effectiveness

- Incentivises staff and officials to **perform better**
- Allows stakeholders to **contribute specialised knowledge**
- Generates **effective solutions** to policy problems
- Stimulates **learning**



Good governance and corruption

- Decreases the likelihood of **power imbalances** and **abuses of power**
- Increases the likelihood that corruption will be discovered and punished

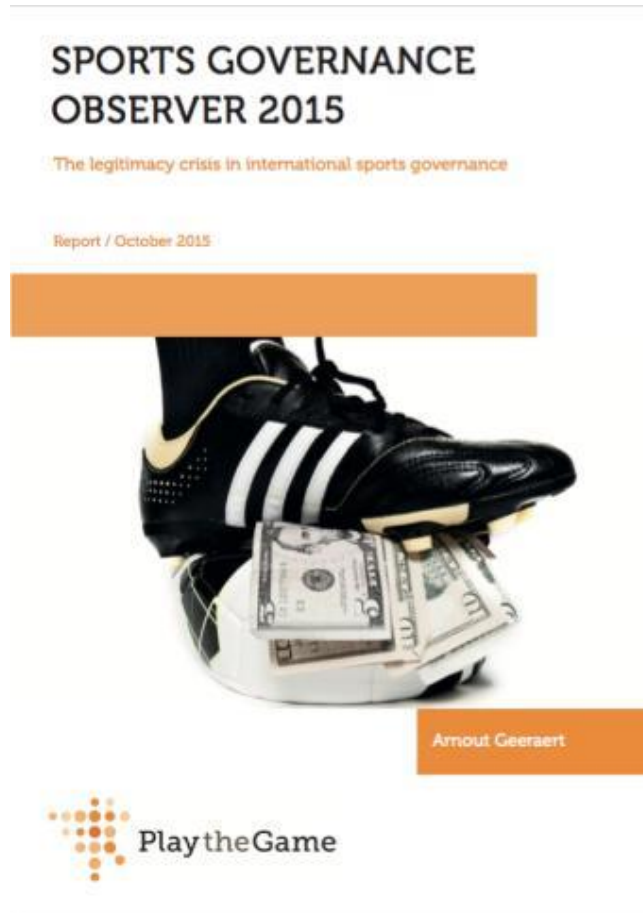


Good governance and legitimacy

- Enhances **trust** from government and stakeholders



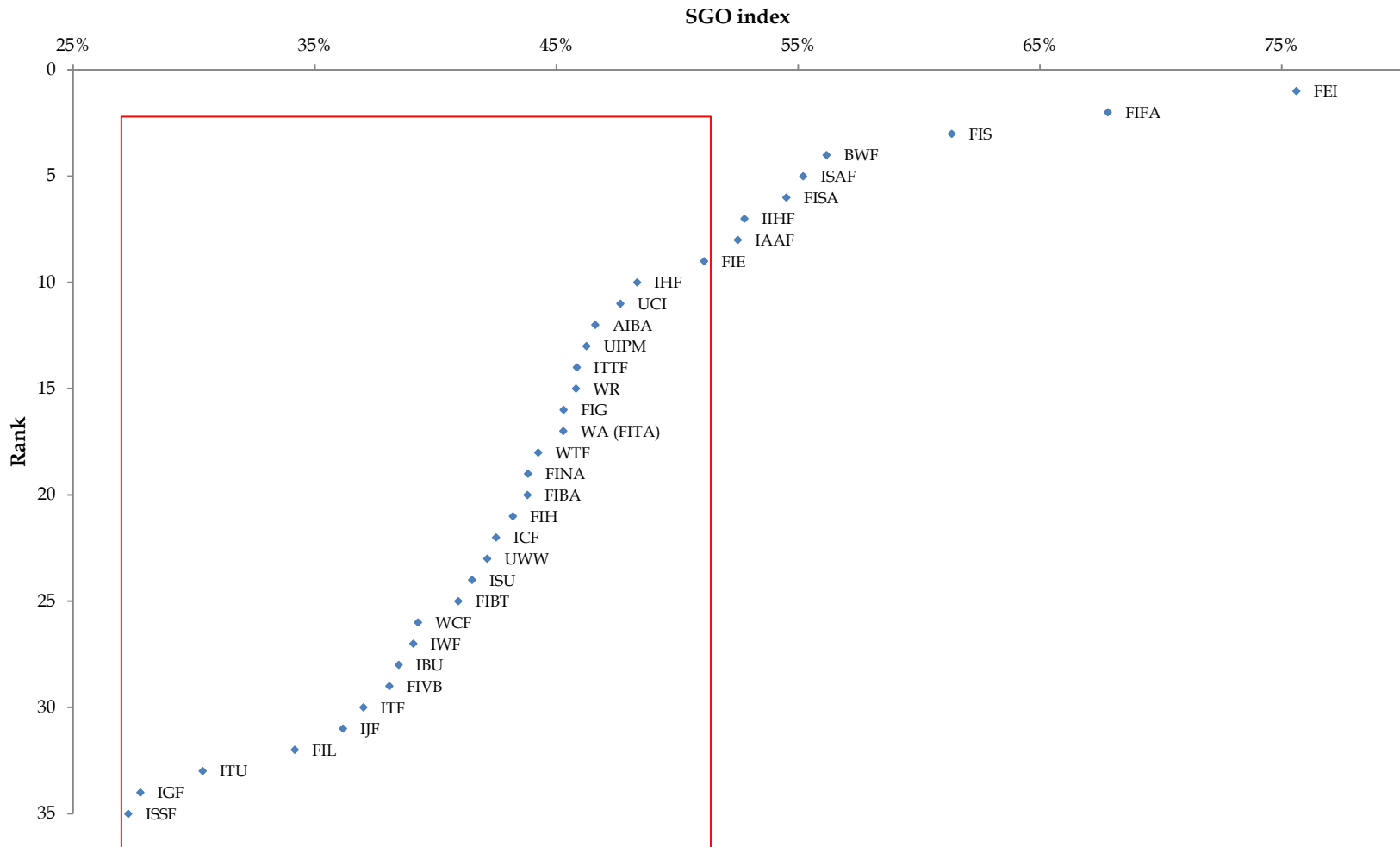
What is the status quo?



What is the status quo?

Dimension	Average SGO 2015 scores
Transparency	50%
Democratic processes	45%
Internal accountability	42%
Societal responsibility	45%
Overall	45%

What is the status quo?



What is the status quo?

Governance reforms in international federations (2016)

- **Ad hoc reform committees:** e.g. FIFA, IAAF
- **Sectoral level:** ASOIF encourages and supports the implementation of 'Key Governance Principles and Basic Indicators'

Challenge: achieve fundamental rather than cosmetic change

- **Impact of governance reforms:** alter established equilibria and restrict particular individuals' leeway, influence, and decision-making power.
- **Vested interest in status quo:** those negatively affected by imminent reforms have a strong incentive to minimise change.
- **Worst-case scenario:** reforms function primarily as public relations ploys that privilege business-as-usual practices.

Sports Governance Observer 2018



Aims

- Provide transparent, objective, reliable, and holistic external assessment
- Accurately signal governance strengths and deficits
- Inform policy makers
- Establish an open discussion

Content

- Improved set of indicators
- New assessment of five federations: FIFA, FINA, IAAF, IHF, ITF

Sports Governance Observer 2018

Data gathering: method

- No self-evaluation: own assessment
- Involvement of the federations: FIFA, the IAAF, and the IHF participated; the ITF declined cooperation; FINA did not reply to multiple requests.

Data gathering: full transparency

- Aim: to stimulate discussion and avoid futile debates
- Publication of evidence and scoring data for all 309 indicators
- Publication of federations' input and their responses to the final scores

Sports Governance Observer 2018

Improved set of indicators

- Academic literature → **4 dimensions**: transparency, democracy, accountability, societal responsibility
- Best practices + academic literature → **57 principles**
- Best practices + academic literature → **309 yes or no indicators**

Added value

- **Reliable**: strict standard
- **Objective**: no self-assessment
- **Easy-to-use**: yes or no
- **Holistic**: 309 indicators give broad overview
- **Easy to interpret**: traffic light scoring system

not fulfilled	weak	moderate	good	very good
0-19 %	20-39 %	40-59 %	60-79 %	80-100 %

Sports Governance Observer 2018

	Principle	FIFA	IAAF	FINA	IHF	ITF	Average
Transparency	1. Legal and policy documents	Good	Good	Good	Good	Good	Good
	2. General assembly agenda and minutes	Good	Not fulfilled	Weak	Weak	Good	Weak
	3. Board and committee decisions	Good	Weak	Not fulfilled	Not fulfilled	Weak	Weak
	4. Board member information	Weak	Not fulfilled	Not fulfilled	Weak	Not fulfilled	Weak
	5. Information on member federations	Good	Good	Good	Good	Good	Good
	6. Annual general activity report	Good	Not fulfilled	Not fulfilled	Not fulfilled	Good	Weak
	7. Financial statements	Good	Not fulfilled	Good	Not fulfilled	Good	Good
	8. Remuneration reports and regulations	Good	Not fulfilled	Weak	Not fulfilled	Weak	Weak
	9. Conflicts of interest and risk assessment	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled
	10. Strategic plan	Weak	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled
	11. Allocated funds	Good	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled
Democratic processes	12. Clear election procedures	Good	Good	Weak	Good	Good	Good
	13. Competitive elections	Good	Good	Weak	Good	Not fulfilled	Weak
	14. Nomination committee	Good	Good	Not fulfilled	Weak	Not fulfilled	Weak
	15. Board and general assembly quorums	Weak	Weak	Weak	Good	Good	Weak
	16. Term limits	Good	Good	Good	Not fulfilled	Good	Weak
	17. Member representation	Good	Weak	Weak	Weak	Good	Good
	18. Regular board meetings	Weak	Good	Not fulfilled	Good	Weak	Weak
	19. Athletes' participation	Weak	Weak	Not fulfilled	Good	Weak	Weak
	20. Referees' participation	Weak	Not fulfilled	Not fulfilled	Weak	Not fulfilled	Weak
	21. Coaches' participation	Weak	Weak	Not fulfilled	Weak	Weak	Weak
	22. Volunteers' participation	Not fulfilled	Weak	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled
	23. Employees' participation	Weak	Weak	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled
	24. Gender equality policy	Weak	Weak	Not fulfilled	Not fulfilled	Weak	Weak

Not relevant	Not fulfilled	Weak	Moderate	Good	Very good
	0-19 %	20-39 %	40-59 %	60-79 %	80-100 %

Sports Governance Observer 2018

	Principle	FIFA	IAAF	FINA	IHF	ITF	Average
Internal accountability	25. The general assembly supervises the board	Weak	Weak	Not fulfilled	Not fulfilled	Not fulfilled	Weak
	26. Board resignation procedures	Not fulfilled	Good	Not fulfilled	Weak	Weak	Weak
	27. Board eligibility rules	Good	Weak	Weak	Weak	Weak	Weak
	28. Clear governance structure	Good	Weak	Weak	Good	Not fulfilled	Weak
	29. The board supervises management	Not fulfilled	Weak	Weak	Weak	Not fulfilled	Weak
	30. Internal audit committee	Good	Good	Good	Not fulfilled	Not fulfilled	Weak
	31. Regular corruption risk assessment	Good	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled
	32. Financial control system	Good	Not fulfilled	Not fulfilled	Good	Weak	Weak
	33. Open tenders for major contracts	Good	Not fulfilled	Not fulfilled	Good	Weak	Weak
	34. Objective event allocation procedure	Good	Weak	Not fulfilled	Weak		Weak
	35. Annual board self-evaluation	Not fulfilled	Not fulfilled	Not fulfilled	Weak	Not fulfilled	Not fulfilled
	36. External audit	Good	Good	Weak	Good	Not fulfilled	Good
	37. Code of conduct	Good	Good	Good	Good	Good	Good
	38. Conflict of interest procedures	Weak	Good	Weak	Good	Weak	Weak
	39. Enforcement of code of ethics	Good	Weak	Weak	Weak	Not fulfilled	Weak
	40. Internal complaints procedure	Good	Good	Not fulfilled	Weak	Weak	Weak
	41. Whistle-blower protection rules	Good	Weak	Weak	Good	Good	Good
42. Internal appeals procedure	Good	Weak	Weak	Weak	Weak	Good	
43. Independent board members	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	

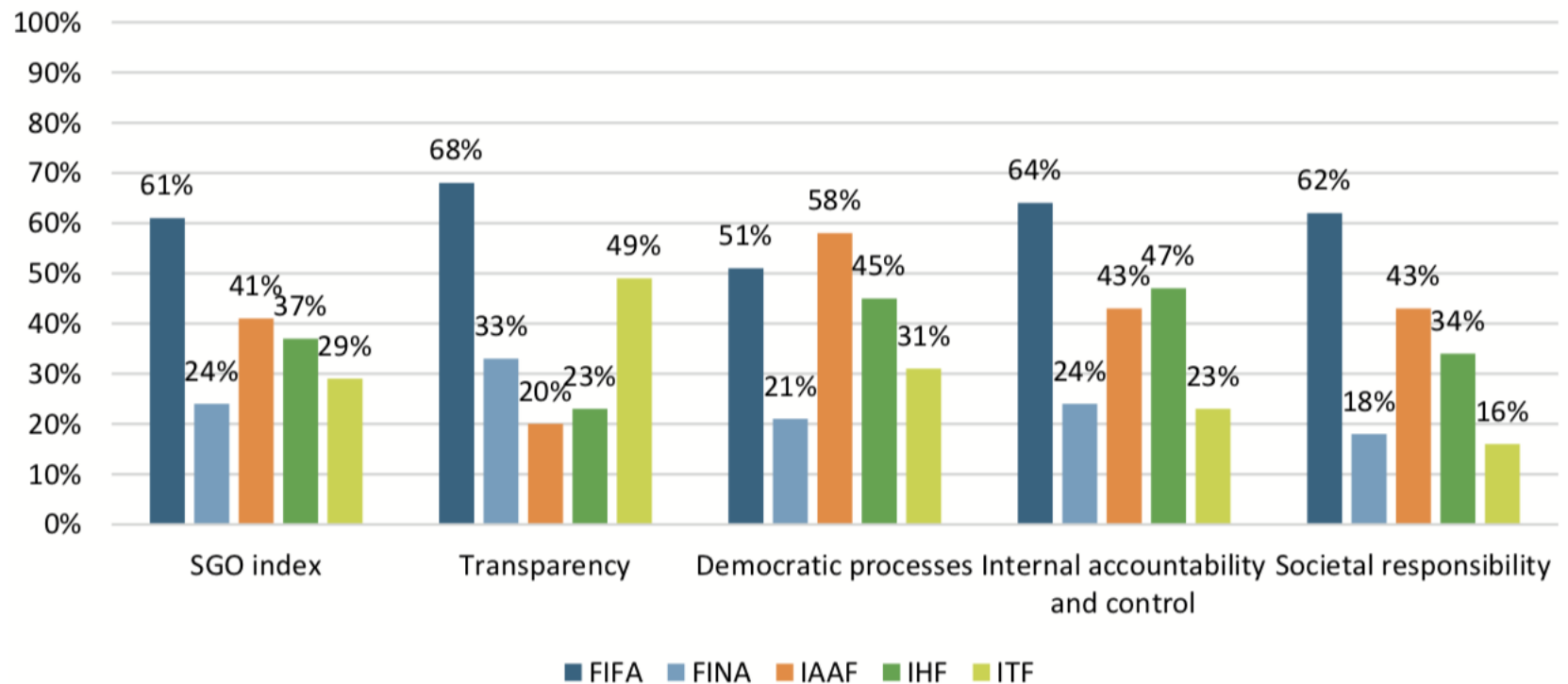
Not relevant	Not fulfilled	Weak	Moderate	Good	Very good
	0-19 %	20-39 %	40-59 %	60-79 %	80-100 %

Sports Governance Observer 2018

	Principle	FIFA	IAAF	FINA	IHF	ITF	Average
Societal responsibility	44. Governance consulting for members	Good	Good	Weak	Very good	Not fulfilled	Good
	45. Mitigating health risks of sport	Very good	Good	Weak	Good	Not fulfilled	Good
	46. Sexual harassment policy	Very good	Good	Weak	Weak	Weak	Good
	47. Anti-doping policy	Very good	Good	Good	Very good	Good	Very good
	48. Social inclusion policy	Good	Weak	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled
	49. Anti-discrimination policy	Very good	Weak	Weak	Weak	Weak	Good
	50. Gender equality policy	Good	Good	Not fulfilled	Good	Weak	Good
	51. Anti-match-fixing policy	Very good	Very good	Good	Very good	Very good	Very good
	52. Environmental sustainability policy	Very good	Good	Not fulfilled	Not fulfilled	Not fulfilled	Weak
	53. Dual careers policy	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled
	54. Sport for all policy	Good	Good	Not fulfilled	Weak	Not fulfilled	Weak
	55. Athletes' rights policy	Good			Good		Good
	56. Human rights policy	Very good	Weak	Not fulfilled	Not fulfilled	Not fulfilled	Weak
	56. Corruption controls as funding requirement	Weak	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled

Not relevant	Not fulfilled	Weak	Moderate	Good	Very good
	0-19 %	20-39 %	40-59 %	60-79 %	80-100 %

Sports Governance Observer 2018



Sports Governance Observer 2018

Key results: FIFA

Figure 4: FIFA's SGO 2018 index score

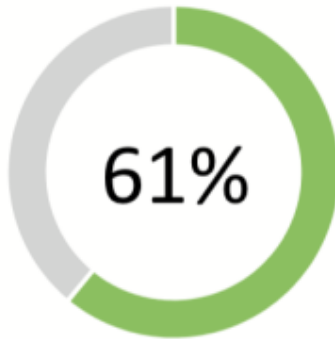
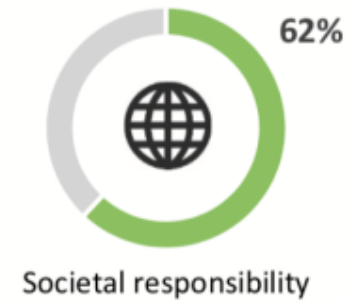
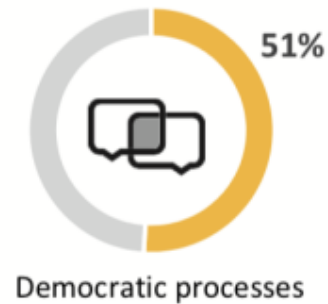
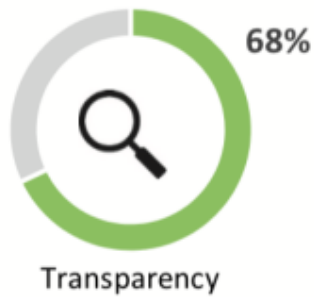


Figure 5: FIFA's scores on the four SGO dimensions



Sports Governance Observer 2018

Key results: IAAF

Figure 10: The IAAF's SGO 2018 index score

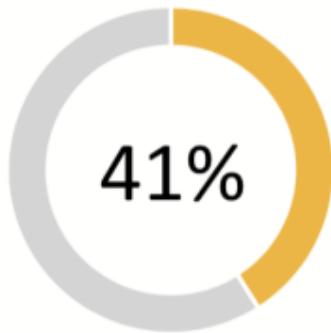
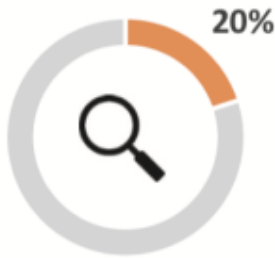
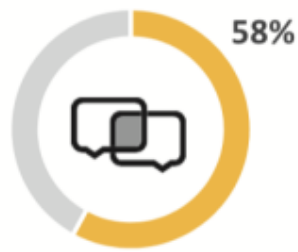


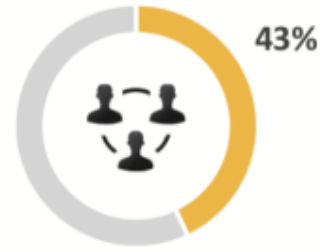
Figure 11: The IAAF's scores on the four SGO dimensions



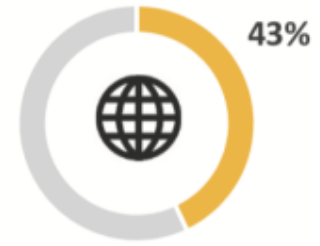
Transparency



Democratic processes



Internal accountability



Societal responsibility

Sports Governance Observer 2018

Key results: FINA

Figure 7: FINA's SGO 2018 index score

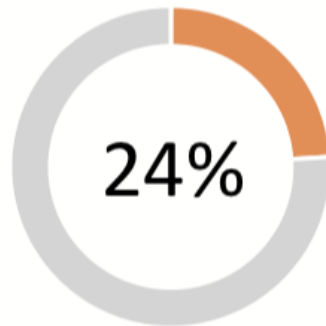
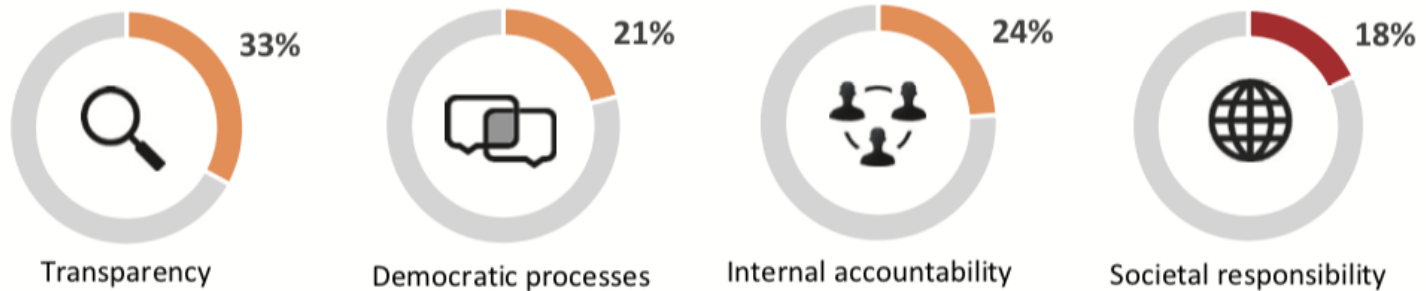


Figure 8: FINA's scores on the four SGO dimensions



Sports Governance Observer 2018

Key results: IHF

Figure 13: The IHF's SGO 2018 index score

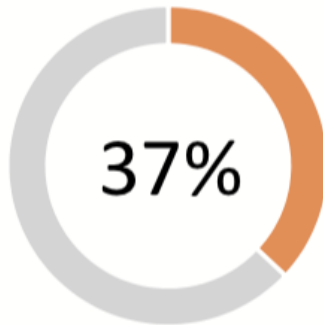
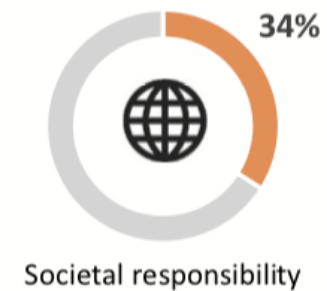
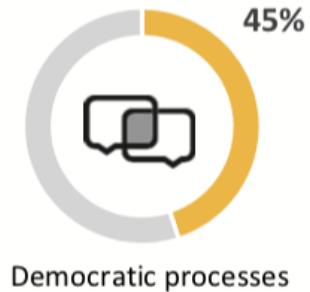
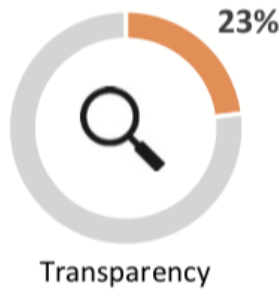


Figure 14: The IHF's scores on the four SGO dimensions



Sports Governance Observer 2018

Key results: ITF

Figure 16: The ITF's SGO 2018 index score

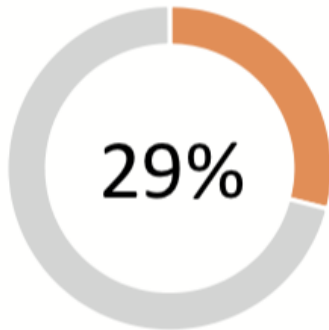
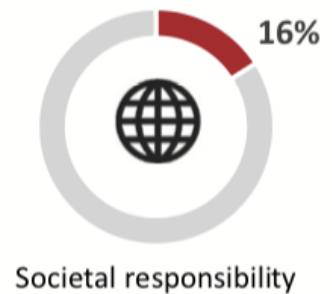
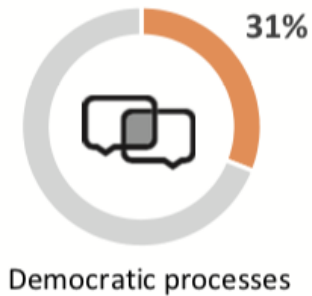
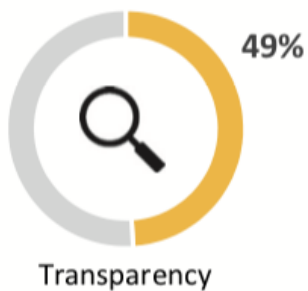


Figure 17: The ITF's scores on the four SGO dimensions



General conclusions

- **Devil is in the detail:** implemented elements of good governance often lack quality.
- **Lack of board accountability:** boards are not adequately held to account by the general assembly.
- **Lack of strategic planning:** no clear strategic plans that outline objectives and envisioned actions.
- **Limited stakeholder involvement:** no formal strategies for involving different stakeholder groups in their policy processes.
- **Number of standards not accepted:** independent board members, publishing corruption risk assessments and conflicts of interest, obligatory anti-corruption controls for funded entities, and board self-evaluations.
- **Inadequate reporting:** policy plans, board decisions, and allocated funds.

Thank you

sportsgovernanceobserver.org
arnout.geeraert@kuleuven.be