

Brussels, 4 November 2019 (OR. en)

13355/19

SPORT 84 JEUN 121 SOC 725 EDUC 439 DOPAGE 26 COPEN 421 CRIMORG 148 DEVGEN 199 SUSTDEV 154

#### **NOTE**

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Promoting good governance in sport
	- Policy debate
	(Public debate in accordance with Article 8(2) of the Council's Rules of Procedure)
	[proposed by the Presidency]

Delegations will find attached a discussion paper on Promoting Good Governance in Sport, as prepared by the Presidency in light of consultations with Delegations.

The <u>Committee of Permanent Representatives</u> is invited to submit the attached Presidency discussion paper to Council (EYCS) as the basis for the policy debate that will take place at its meeting on 21-22 November 2019.

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## **Promoting Good Governance in Sport**

### Policy debate at the EYCS Council (Sport) (Brussels, 21-22 November 2019)

# - Presidency discussion paper -

## I. Why good governance in sport matters

Sport is played and viewed by billions of people across the world. In addition to improving public health through physical activity, it has social, educational and cultural functions. Sport also imparts important values such as team spirit, solidarity, respect for others and fair play, and teaches the importance of rules. In order to preserve those values and maintain citizens' confidence in sport, responsible and transparent management is mandatory. Good governance in a sporting context may be understood as 'the framework and culture within which a sports body sets its policy, delivers its strategic objectives, engages with stakeholders, monitors performance, evaluates and manages risk and reports to its constituents on its activities and progress, including the delivery of effective, sustainable and proportionate sports policy and regulation'.<sup>1</sup>

In a 2011 report<sup>2</sup>, the non-governmental organisation Transparency International argued that bad governance compromises the positive influence of sport, especially on young people, in disseminating such values. Experts have also warned that, since the growing commercialisation of sport has amplified the socioeconomic impact of the rules issued by sports bodies, poor governance could have substantial negative repercussions on wider society.<sup>3</sup>

EU expert group on good governance, Recommendations on principles of good governance in sport, p.5.

Building integrity and transparency at FIFA, August 2011 (http://files.transparency.org/content/download/92/371/file/2011\_FIFASafeHands\_EN.pdf).

The governance agenda and its relevance for sport: introducing the four dimensions of the AGGIS sports governance observer (http://www.playthegame.org/fileadmin/documents/Good\_governance\_reports/AGGIS-report - 3The Governance Agenda p 9-21 .pdf).

## II. Good governance and the sports movement

Sports organisations enjoy considerable organisational autonomy in terms of running and regulating sport. This autonomy means the freedom to define the rules of sport and to safeguard inherent sporting values from external influence. For three decades now, this autonomy has increasingly been challenged by interventions from national and European courts and national governments, as well as commercial companies. Therefore the autonomy of sport has progressively been conditioned not only on respect for the rule of law, but also on compliance with the principles of good governance, including in particular those of democracy, transparency, accountability in decision-making and representative inclusiveness.

Over the years, sports organisations have shown a real interest in ensuring good governance. One argument put forward by sports authorities to support initiatives has been that applying the principles of good governance would help not only to strengthen sports organisations for the benefit of their stakeholders, but also to prevent outside intervention in sporting affairs.

The realisation that good governance is an essential prerequisite for the sports movement to justify and uphold its autonomy was also behind the drafting of the IOC's Basic Universal Principles of Good Governance of the Olympic and Sports Movement (2009), later incorporated into the IOC's Code of Ethics, which forms an integral part of the Olympic Charter. The Olympic Agenda 2020, launched in December 2014, further promotes acceptance of and compliance with those basic principles by all organisations belonging to the Olympic Movement, while giving them responsibility for running regular self-evaluation exercises in that regard.

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In practice, sports organisations have been active in developing sports governance rules. Several sporting organisations have established special codes of conduct aiming to improve their self-governance of sports activities. Self-regulation and good practices are crucial for the maintenance and development of good sports governance. However, recent surveys<sup>4</sup> seem to indicate that the principles of good governance introduced by the IOC have yet to be properly taken on board. In particular, standards of accountability, transparency and democracy need to be promoted further.

At the same time, the sports movement and international sports governing bodies are facing new challenges caused by developments in sport, notably the huge commercial growth of the sector and the increasing financial stakes, which can create fertile ground for corrupt practices.

#### III. Role of the Member States and the EU in promoting good governance

Governments and other public authorities constitute important and essential partners for sports organisations and can play a crucial role in terms of promoting good governance in sport. Sport also receives significant financial support from the public authorities. In addition to allocating subsidies to certain programmes and/or specific projects, the public authorities contribute to the funding of the sports sector by building and maintaining infrastructure, at both elite professional and grassroots levels. Hosting sporting events also mobilises public money (building of stadiums, investments in public transport infrastructures, security). In some Member States, financial support is linked to minimum standards of good governance.

The promotion of good governance in sport is also high on the EU sports policy agenda. It has been among the top priorities of the European Union's work plan for sport since 2011. A specific EU Expert Group was dedicated to good governance until 2017, and since then work has continued within the framework of the Expert Group on integrity. Expert groups have delivered various recommendations, including the principles of good governance in sport; the guiding principles relating to democracy, human and labour rights, in particular in the context of the awarding of major sporting events and recommendations on gender equality, notably in the sports decision-

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See, for example, Geeraert, A., *Sports governance observer 2015. The legitimacy crisis in international sports governance*, Play the Game, Danish Institute for Sports Studies, Copenhagen, October 2015 (http://playthegame.org/media/4303278/SGO report final 2.pdf).

making process. The Council adopted conclusions on gender equality in sport in 2014<sup>5</sup> and on enhancing integrity, transparency and good governance in major sporting events in 2016<sup>6</sup>.

In September 2016, in the context of the European Week of Sport, the European Commission presented a declaration on good governance in European sport, and invited sports organisations to pledge their support for and voluntarily commit to promoting and, where appropriate, implementing and following up on the basic principles of good governance in sport.

The integrity of sport is high on the agenda of Finland's Presidency of the Council of the European Union. Good governance has been recognised as a key element in the Council's conclusions on combating corruption in sport.

Ministers are kindly invited to express their views with regard to the elements put forward by this paper and the keynote speech by Mr Witold Banka, President-elect of the World Anti-Doping Agency (WADA)<sup>7</sup>, with the aim of supporting an exchange of best practices and potential policy solutions that can promote good governance in the sporting sector and thus help combat corruption in sport.

## IV. Questions for the debate

At the policy debate, the Ministers are kindly invited to give their reactions (*interventions should be limited to a maximum of three minutes*) to the introductory speech of the guest speaker and to the following questions:

- 1. How can public authorities and the sports movement cooperate at EU and Member State level in order to boost and foster good governance in sport?
- 2. What benefits can cooperation at EU level bring in terms of promoting good governance in sport?

<sup>&</sup>lt;sup>5</sup> OJEU C 189, 14.6.2014, p. 39

<sup>6</sup> OJEU C 212, 14.6.2016, p. 14

Set up in 1999, WADA is composed of representatives of, and funded equally by, sports stakeholders and national governments. One of its main tasks is monitoring signatories' implementation of and compliance with the World Anti-Doping Code. Signatories include international federations; the IOC and national Olympic Committees; and national anti-doping organisations.