

# NATIONAL SPORTS GOVERNANCE OBSERVER 2

Benchmarking governance in national sports organisations

Report / November 2021



Sandy Adam (ed.)



# NATIONAL SPORTS GOVERNANCE OBSERVER 2

**Title**

National Sports Governance Observer 2. Benchmarking governance in national sports organisations

**Author**

Sandy Adam (ed.)

The National Sports Governance Observer tool is authored by Arnout Geeraert in shared copyright with Play the Game.

**Authors and co-authors of national chapters**

Bosnia-Herzegovina: Marko Begović and Damir Ahmić; Bulgaria: Petya Koseva; Canada: Ryan Gauthier; Colombia: Ana María Arias, José Ramos Acosta, Julie Hortencia Gómez Solano, Néstor Ordoñez Saavedra, Martha Cecilia Sandino Rodríguez, Liliana María Cardona Mejía, Norma Constanza Castellanos García, Catalina Melendro Blanco, Edgar Felipe Galindo Rojas, Héctor Fabián Bolívar Alfonso, Cristian David Dueñas Sanabria, Iván Camilo Aranda Salgado, Maria Juliana Pérez Tello, María Daniela Calle Castillo; Georgia: Anatoli Korepanov; Iceland: Garðar Óli Ágústsson, Jón Reynir Reynisson, Birnir Egilsson and Christos Anagnostopoulos; India: Deiphbari Lyngdoh, Madhu Sudhan Subedi; Indonesia: Renata Melati Putri and Amal Ganesha Warganegara; Lithuania: Irena Valantine and Ingrida Grigaliunaite; Portugal: Luiz Haas; Serbia: Marko Begović and Ivana Parčina; Slovenia: Rožle Prezelj, Nika Metka Brežnik and Simon Jančar; Spain: Alberto Carrio Sampedro; Ukraine: Olha Borysova and Tetiana Kropyvnytska; USA: Spencer Harris

**Other contributors**

Christina Friis Johansen, Aline van Bedaf Sterner

**Layout**

Play the Game

**Cover photo**

Jurgita Vaicikeviciene/EyeEm/Getty Images

**Edition**

1. edition, Aarhus, November 2021

**Price**

The report can be downloaded for free through [www.playthegame.org](http://www.playthegame.org).

**ISBN**

978-87-93784-66-6 (pdf)

**Published by**

Play the Game  
c/o Danish Institute for Sports Studies  
Frederiksgade 78B, 2.  
DK-8000 Aarhus C  
T: +45 3266 1030  
E: [info@playthegame.org](mailto:info@playthegame.org)  
W: [www.playthegame.org](http://www.playthegame.org)

Quoting from this report is allowed with proper acknowledgements.

# Contents

Foreword: Bringing power back to where it belongs .....	6
Introduction .....	8
The overall governance standards.....	9
Dimension 1: Transparency .....	12
Dimension 2: Democratic processes .....	13
Dimension 3: Internal accountability and control .....	14
Dimension 4: Societal responsibility .....	15
Discussion and policy implications.....	17
Transparency – It is more than statutes and sports rules.....	17
Democratic processes – More stakeholder participation needed.....	18
Internal accountability and control – Identifying and regulating conflicts of interest.....	19
Societal responsibility – Taking care beyond sports .....	20
<b>Reports from project partners</b>	
Country report: Bosnia and Herzegovina .....	24
Country report: Bulgaria.....	40
Country report: Canada .....	66
Country report: Colombia .....	88
Country report: Georgia.....	106
Country report: Iceland.....	132
Country report: India .....	152
Country report: Indonesia .....	172
Country report: Lithuania.....	193
Country report: Portugal .....	211
Country report: Serbia.....	224
Country report: Slovenia.....	241
Country report: Spain.....	257
Country report: Ukraine .....	273
Country report: United States of America (U.S.).....	300
Appendices .....	3186

By Jens Sejer Andersen<sup>1</sup>

## Foreword: Bringing power back to where it belongs

Legal experts will often distinguish between 'law in the books' and 'law in action'. The texts that define the law and explain its intentions will not necessarily translate directly into how law is applied in the reality we live in.

The same distinction can be made in the field of sports governance. How else would we explain that corruption and mismanagement is still thriving in a sports world where over the past decade, every single sports federation has sworn that its main priority is to reach excellent governance standards.

In many languages, we have proverbs expressing that paper is patient, tolerant, and can bear anything that is written on it. These proverbs reflect a deep-rooted common human experience that there is a gap between the words we use and the practice we follow, even when we try to secure the words in a material form.

It is true that those in power will always be able to circumvent regulations or even abuse them to their own benefit, in sport as well as in other walks of life.

This should, however, not lead us to the conclusion that the world would be a better place without laws, rules, and regulations. On the contrary, the texts and standards that define and regulate our life as a community, are a prerequisite for containing and controlling the use of power.

Without words on paper, we would have no chance at all to hold the powerful accountable to the common good.

In the domain of sport, it has for the past five decades become more and more obvious that weak structures and insufficient laws have made athletes, voluntary leaders, and other civil society agents extremely vulnerable to commercial and political exploitation.

The value system of sport is shaken, to say the least, and the strategic development of a common cultural good like sport seems to be left in the hands of shady powerbrokers in business and politics.

It therefore makes a lot of sense to try to define new standards of sports law and governance that can bring decision-making powers back to athletes and practitioners on the ground.

This is what Play the Game has been pursuing for almost 25 years, and an essential part of our efforts has been to develop state-of-the-art standards for sport governance in cooperation with some of the best academic experts in the field, as well as sports federations and athlete organisations.

Together, we have spent almost ten years developing benchmarking tools aimed at establishing an overview of the state of affairs with regards to sports governance, raising awareness, and creating dialogue, as you can see in the timeline in the appendix.

---

<sup>1</sup> International director, Play the Game

This second report based on the National Sports Governance Observer tool is once again a result of the efforts by many people from around the world and Play the Game would like to thank all the researchers who contributed.

A special thanks goes to PhD candidate Sandy Adam from Leipzig University who has undertaken the very complex task of coordinating and reviewing most of the country reports. Thanks also to our former colleague Christina Friis Johansen for her efforts in supporting the research and review process.

If you wish a detailed description of the methodology of the National Sports Governance Observer, and more knowledge of the theory behind it, we kindly refer you to the first NSGO report from 2018 and the website [www.nationalsportsgovernanceobserver.org](http://www.nationalsportsgovernanceobserver.org).

With the 15 countries included in the NSGO2 report, we now have governance data from a total of 25 countries, mostly European, but also representing the Americas and Asia.

Although these data may not reveal the full truth about the governance standards in the day-to-day business of sports, they tell us how far each country and each federation has come in preparing a more transparent, democratic, accountable, and socially responsible power structure in sports.

They also allow for broad as well as specific comparisons of the governance culture across various countries and sports.

If you wish to make those comparisons, our written reports are no longer the only tools. You can test the quality of your own organisation by using our new online NSGO tool available at [www.nationalsportsgovernanceobserver.org](http://www.nationalsportsgovernanceobserver.org).

In our view, the results of the NSGO are both a very solid foundation and a precondition for informing the public debate and creating fact-based and open dialogue about how sport – with all its cultural, political, social, and economic influence – should be run.

The number of sports leaders, athletes, fans, politicians, sponsors, and other stakeholders demanding better governance in sport is constantly increasing, and at Play the Game we will do our best to continuously support everyone who shares that goal.

Good governance does not solve all problems in sport, but without good governance no problem will be solved.

By Sandy Adam<sup>2</sup>

## Introduction

As many national sports federations struggle to win participants, audiences, revenues, and power back after the pandemic, it is time to stop and ask if their governance standards are at a level that make the federations able to solve the challenges.

That question will be answered in this report, which includes governance data from more than 100 sports federations in 15 countries on three continents. It is the second round of research using the National Sports Governance Observer tool (NSGO), which was originally developed with support from Erasmus+ in 2018. The benchmarking is performed by using 274 individual indicators grouped in 46 principles within the four governance dimensions transparency, democratic processes, internal accountability and control, and societal responsibility.

The National Sports Governance Observer published its first report in 2018. Based on a study of sports federations in nine European countries and Brazil, it provided empirical evidence that national sports federations can use to make informed decisions about benchmarking their own organisations against a set of good governance indicators related to transparency, democratic processes, internal accountability and control, and societal responsibility, and initiate improvements.

Three years later, in a second round of NSGO benchmarking, researchers from Bosnia and Herzegovina, Bulgaria, Canada, Colombia, Georgia, Iceland, India, Indonesia, Lithuania, Portugal, Serbia, Slovenia, Spain, Ukraine, and the US have collected and analysed new data that can inform the ongoing debate on sports governance.

Analysing all sports federations in all countries would be an exercise beyond Play the Game's capacity. Like in 2018, we have asked the national researchers to benchmark five common federations: Football, athletics, tennis, gymnastics, and team handball. In a few countries, only four of the five were selected. In most countries, at least three other sports of national interest have been added.

It needs to be stressed that the geographical scope of the survey also reflects a variety of social and cultural environments. These differences also had implications on the benchmarking process, since not all indicators would be equally applicable across all countries. This chapter starts with a summary of the findings from country chapters findings by providing an overview of the main comparative findings. It continues by describing some key implications for sports governance and gives recommendations for each of the four dimensions.

---

<sup>2</sup> PhD candidate at Leipzig University

## The overall governance standards

The findings demonstrate that the degree of good governance in the national sports federations varies considerably across the 15 countries. Figure 1 presents the overall NSGO index scores for all 15 countries. None of the countries achieve 'very good' or 'good' results in the benchmarking. The highest scoring countries range within the 'moderate' category and include Serbia (59%), the US (53%), and Bosnia and Herzegovina (51%). The lowest overall country scores were found for Indonesia (28%), India (27%), and Georgia (21%).

**Figure 1: Overall NSGO index scores – all countries**

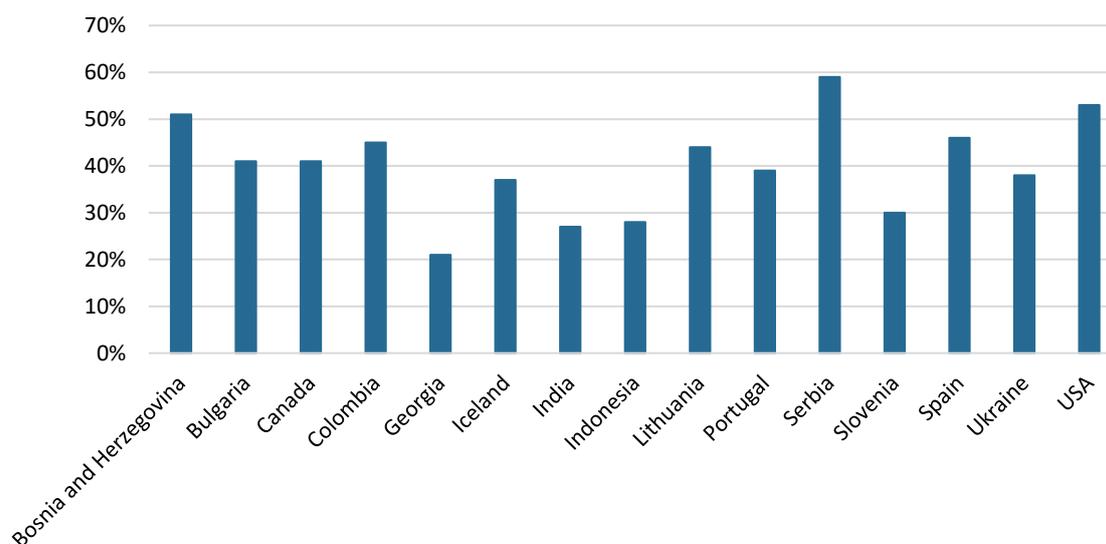


Figure 2 presents the average scores of the national sports federations in the 15 countries on each of the four NSGO dimensions. With regards to the transparency dimension, the highest scoring federations from Serbia (66%) and Iceland (64%) achieve 'good' scores, while the lowest scoring federations from India (38%) and Georgia (22%) range within the 'weak' category, and the lowest scoring federations from Indonesia (17%) in the 'not fulfilled' category.

As regards democratic processes, the federations from the US (57%), Lithuania (53%), and Colombia (50%) with their 'moderate' scores achieve the best results. On the other hand, the federations from Ukraine (34%), Slovenia (29%), and Indonesia (29%) score lowest within the 'weak' category. The federations from Serbia (74%) and Bosnia (70%) achieve 'good' scores and rank highest in the accountability and control dimension. On the contrary, Georgia ranks last at a 'not fulfilled' score of 14%.

On the societal responsibility dimension, only the federations from Serbia achieve a 'moderate' score of 48%. There are federations from four countries that do 'not fulfil' the dimension - Slovenia (19%), Iceland (18%), Georgia (12%), and India (7%).

**Figure 2: Average scores of the federations in 15 countries surveyed on the NSGO dimensions**

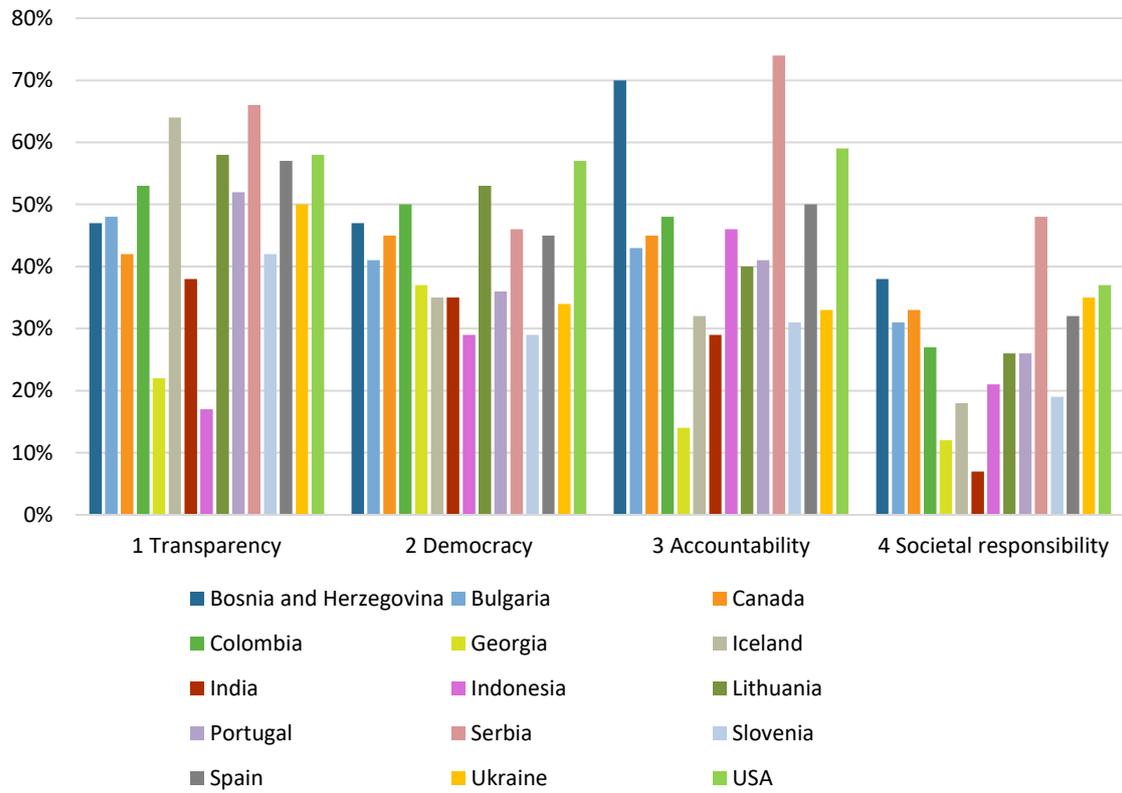


Table 1 summarises the average country scores on the 46 principles.

**Table 1: The average scores of the surveyed countries on the 46 NSGO principles**

Principle	BIH	BG	CA	CO	GE	ISL	IND	IDN	LTU	PRT	SRB	SV	ESP	UK	US	Avg
Transparency	1. Legal and policy documents	Good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good
	2. General assembly	Very good														
	3. Board decisions	Very good														
	4. Board members	Very good														
	5. Athletes and clubs	Very good														
	6. Annual report	Very good														
	7. Remuneration	Very good														
Democratic processes	8. Elections of board members	Very good														
	9. Policy for differentiated board	Very good														
	10. Nomination committee	Very good														
	11. Quorums	Very good														
	12. Term limits	Very good														
	13. Member representation	Very good														
	14. Regular board meetings	Very good														
	15. Athletes' participation	Very good														
	16. Referees' participation	Very good														
	17. Coaches' participation	Very good														
Internal accountability and control	18. Volunteers' participation	Very good														
	19. Employees' participation	Very good														
	20. Gender equality policy	Very good														
	21. Supervision of board	Very good														
	22. Board resignation procedures	Very good														
	23. Board eligibility rules	Very good														
	24. Clear governance structure	Very good														
	25. Supervision of management	Very good														
	26. Audit committee	Very good														
	27. Financial controls	Very good														
	28. Board self-evaluation	Very good														
	29. External audit	Very good														
	30. Code of conduct	Very good														
31. Conflict of interest procedures	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	
32. Complaint procedure	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	
33. Appeal procedure	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	
34. Board meeting schedule	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	Very good	
Societal responsibility	35. Governance consulting	Very good														
	36. Mitigating health risks	Very good														
	37. Combating sexual harassment	Very good														
	38. Anti-doping	Very good														
	39. Social inclusion	Very good														
	40. Anti-discrimination	Very good														
	41. Gender equality	Very good														
	42. Anti-matchfixing	Very good														
	43. Environmental sustainability	Very good														
	44. Dual careers	Very good														
	45. Sport for all	Very good														
	46. Athletes' rights	Very good														

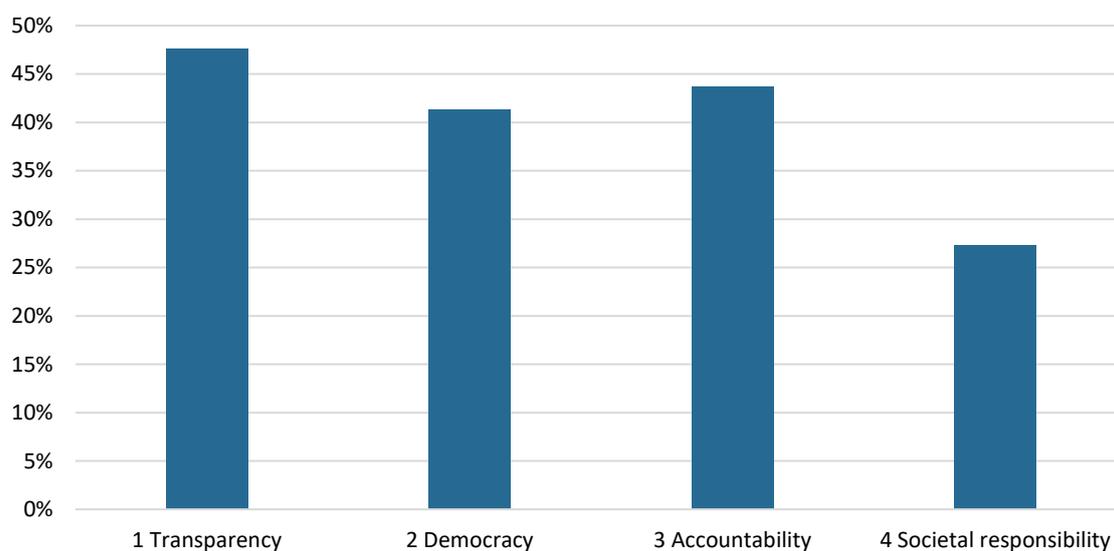
Not relevant	Not fulfilled	Weak	Moderate	Good	Very good
	0-19 %	20-39 %	40-59 %	60-79 %	80-100 %

The average of the NSGO index for the federations in the 15 countries is 40%, which means that the federations just rank at the lower end of the 'moderate' category. In comparison, the first NSGO benchmarking 2018 in nine European countries and Brazil resulted in a 'moderate' score too, although at a higher score of 47%.

The average transparency index of the 15 countries' scores is 48%, which is also the highest of the four dimensions (2018: 65%). The second highest score of 44% was achieved on the internal accountability and control dimension (2018: 51%), followed by a score of 41% for the democratic processes dimension (2018: 44%).

Similar to 2018, the lowest score of 27% was achieved on the societal responsibility dimension, although significantly lower with a difference of 11 percentage points. In the following section, the main strengths and weaknesses related to the four NSGO good governance dimensions are presented.

**Figure 3: Average scores on the NSGO dimensions of the sports federations in the 15 countries surveyed**



### Dimension 1: Transparency

With regard to the transparency dimension, the federations in the 15 countries surveyed achieve 'good' scores only on the principle related to the publication of legal and policy documents, such as statutes, internal regulations, organisation chart, sports rules and multi-annual policy plan on their website (73%).

The federations perform poorly on the publication of regulations and reports on the remuneration of board members (25%) and information about their board members (39%) on their website.

These results for the highest and lowest scoring principles in the transparency dimension have also been found in the first round of the NSGO benchmarking in 2018, although the respective principles achieved higher scores.

### Highlighted average scores on individual NSGO indicators in the transparency dimension

#### Strengths

84% of the federations in 15 countries surveyed publish their statutes on their website

84% of the federations list the names of all the current members of the board on their website.

83% of the federations publish their sports rules on their website. 73% of the federations list basic information about affiliated clubs on their website.

72% of the federations give an account of their finances in their latest annual report.

#### Deficits

2% of the federations publish an (anonymised) overview on the declarations of conflicts of interest and the decisions in which conflicts of interest were involved.

7% of the federations include in their remuneration report a statement on their remuneration policy, including the procedure and rules governing the establishment of the remuneration of the board members.

18% of the federations publish a risk analysis as part of the annual report.

25% of the federations publish their multi-annual policy plan on their website.

26% of the federations publish biographical information about their board members, including their professional background, on their website.

#### Other notable scores

42% of the federations publish the minutes of their latest general assembly meeting on their website.

*Each of the selected indicators forms part of calculating one of the 46 principles, but other indicators will influence the overall score of the principle.*

## Dimension 2: Democratic processes

Regarding the dimension of democratic processes, the federations in the 15 countries achieve their highest scores across all dimensions. In particular, the federations ensure that all affiliated members are represented in the general assembly, which meets at least once a year in almost all federations (83%). Moreover, the federations establish clear procedures for the (re-) appointment of board members (82%).

The federations achieve poor results, when it comes to involving a diverse set of stakeholders in their policies. The lowest overall score across all principles pertains to the involvement of volunteers in the federations' policy processes (7%). Although at a higher score of 31%, the federations do not adequately ensure that athletes can participate in shaping the policies that govern their sport. It is also alarming to find that only a minority of the federations implement a gender equality policy (10%). These weaknesses might also contribute to

the small steps that the federations surveyed take to achieve a balanced and differentiated composition of the board (19%).

Again, the results show similarities with those that were found in the first NSGO benchmarking 2018. However, the low scores on the involvement of key stakeholders in policy processes and the lack of gender equality policies are of particular concern.

#### **Highlighted average scores on individual NSGO indicators in the democratic processes dimension**

##### **Strengths**

99% of the federations in the 15 countries establish procedures that make it possible to convene emergency and extraordinary meetings.

97% of the federations have formal procedures for the appointment and reappointment of the members of the board.

97% of the federations call a general assembly at least once a year.

90% of the federations establish a quorum for general assembly meetings.

85% of the federations establish a quorum for board meetings.

##### **Deficits**

3% of the federations have a formal policy that outlines objectives and specific actions aimed at involving volunteers in their policy processes.

25% of the federations establish that the tasks of the nomination committee include searching for candidates for vacant board mandates.

28% of the federations have a document establishing the desired profile (responsibilities, background, competences) of each board function.

##### **Other notable scores**

74% of the federations have a formal body representing referees within the organisation.

65% of the federations have a formal body representing coaches within the organisation.

59% of the federations establish a nomination committee that oversees the (re-)election process of the members of the board.

50% of the federations establish term limits for their board members.

*Each of the selected indicators forms part of calculating one of the 46 principles, but other indicators will influence the overall score of the principle.*

### **Dimension 3: Internal accountability and control**

With regard to the internal accountability and control dimension, the federations in the 15 countries achieve 'good' scores on two principles. Most federations apply a governance structure according to the principle of separation of powers (69%). Furthermore, in the majority of federations a financial or audit committee is implemented to oversee the internal auditing process (62%).

The principle with the lowest score pertains to the organisation of board self-evaluations (26%), the regulation of conflicts of interest procedures (30%), the adoption of an annual meeting schedule for the board (32%), the establishment of a proper system which ensures the supervision of management by the board (37%), and the implementation of an effective financial control system (38%).

#### **Highlighted average scores on individual NSGO indicators in the internal accountability and control dimension**

##### **Strengths**

77% of the federations define key positions on the board, including those of president and at least one other position (e.g. secretary or treasurer).

77% of the federations define the purpose of each of the standing committees.

76% of the federations establish that the general assembly approves the annual financial statements.

74% of the federations have their financial statements and accounting records reviewed by an independent auditor.

73% of the federations establish an independent financial or audit committee.

73% of the federations formally allow appeals against sporting sanctions.

##### **Deficits**

10% of the federations enable persons to file an anonymous complaint.

17% of the federations establish that a person who is employed by a company that has a commercial relationship with the organisation (e.g., sponsors) cannot serve as a board member.

24% of the federations establish that the board organises an annual appraisal with management to discuss individual performance.

26% of the federations have the general assembly approve an annual budget which is based on the long-term financial planning.

21% of the federations have the general assembly approve a multi-annual policy plan.

29% of the federations report on the board's evaluation of its own composition and performance.

##### **Other notable scores**

34% of the federations have a formal annual meeting schedule for the board.

46% of the federations establish procedures regarding conflicts of interest.

59% of the federations have a code of conduct that applies to board members.

*Each of the selected indicators forms part of calculating one of the 46 principles, but other indicators will influence the overall score of the principle.*

## **Dimension 4: Societal responsibility**

The sports federations in the 15 countries do not achieve high scores in any of the principles of the societal responsibility dimension. The principles with the highest score, though labelled 'moderate' refer to the implementation of an anti-doping policy (59%) as well as a policy on promoting sport for all (41%).

It is worth noting that the principles related to environmental sustainability (10%), dual careers (13%), gender equality (17%), social inclusion (24%), sexual harassment (24%), anti-match-fixing (27%), and anti-discrimination (31%) are not adequately addressed across a wide range of federations. Moreover, the federations hardly provide their members with consulting services in the areas of management and governance (20%).

### Highlighted average scores on individual NSGO indicators in the societal responsibility dimension

#### Strengths

81% of the federations in the 15 countries implement disciplinary rules to combat doping in conformity with the World Anti-Doping Code.

69% of the federations implement formal procedures establishing their cooperation with the National Anti-Doping Authority.

69% of the federations undertake actions aimed at raising awareness for anti-doping rules.

66% of the federations undertake actions aimed at promoting sport for all.

65% of the federations cooperate with other organisations with a view of promoting sport for all.

#### Deficits

11% of the federations have a formal policy that outlines objectives and specific actions aimed at promoting environmental sustainability.

17% have a formal policy that outlines objectives and specific actions aimed at helping athletes combine their sporting career with education or work.

18 % of the federations have a formal policy that outlines objectives and specific actions to be taken regarding the consulting of their member organisations in the areas of management or governance.

21% of the federations have a formal policy that outlines objectives and specific actions aimed at promoting gender equality in sport.

21% of the federations have a formal social inclusion policy.

25% of the federations have a formal policy that outlines objectives and specific actions aimed at combating sexual harassment in sport.

26% of the federations have a formal policy that outlines objectives and specific actions aimed at combating matchfixing.

28% of the federations have a formal policy that outlines objectives and specific actions aimed at combating discrimination in sport.

#### Other notable scores

56% of the federations have a formal policy that outlines objectives and specific actions aimed at preventing, detecting, and combating doping practices

56% of the federations undertake actions aimed at promoting and supporting sport for all in the activities of their member organisations.

*Each of the selected indicators forms part of calculating one of the 46 principles, but other indicators will influence the overall score of the principle.*

## Discussion and policy implications

This section discusses the findings of the second round of the NSGO benchmarking in the sports federations in 15 countries and outlines some key challenges that sports organisations will very likely face in the next years. The section aims to extend the contribution that the first NSGO benchmarking report 2018 has made in starting a wider discussion on good governance in national sports federations.

### Transparency – It is more than statutes and sports rules

The sports federations in the 15 countries scored the highest at 48% in the transparency dimension. However, the ‘moderate’ label of the score indicates room for improvement. It becomes clear that most of the federations publish legal and policy documents, such as the statutes, internal regulations, or sports rules.

However, the more that the documents or information provided reveals about the inner workings of the sports federations, the less likely it is that these documents will be published. Such documents include, for example, board decisions, annual reports, reports on the remuneration of board members, and multi-annual policy plans.

There are only a few countries in which the sports federations publish such information on their websites. In other countries, in particular those with a bureaucratic sports system, the federations are required to publish their reports at websites of governmental registries, which leads them to avoid publishing these documents on their own websites.

However, it needs to become a standard to make that information transparent on the federations’ websites, since members and other stakeholders very likely regard it as their main source of information. In a few countries, websites have only recently been established as a modern and target-oriented communication channel, or they provide only basic functions. Sports federations are advised to invest financial resources in their websites and other modern communication platforms to reach their target groups efficiently. This includes making sure that relevant documents or information can be found easily under suitable rubrics on the homepage. Ideally, websites are designed so that they provide barrier-free access. It is important to stress that the scope of communication needs to go far beyond sporting activities or achievements by including the economic and social dimensions. Members will then understand how the sports federations’ funds have been used, for example for developing their sports or organising sports events and other activities.

The sports federations lag much behind in disclosing their remuneration policies and the remuneration of board members. In some countries, it was reported that board members received no remuneration, but it is very likely that with the ongoing professionalisation of sports federations around the globe, board remuneration will spread. Trust in the board depends on remuneration or fringe benefits being known and acceptable. For larger federations, an individualised disclosure is recommended, while for smaller federations an aggregated disclosure could be a good starting point.

Moreover, it would be desirable to have more detailed information about board members that goes beyond listing their names. The federations can increase their transparency by publishing biographical information as well as information on the members' mandates within and outside of the federation. Members and the wider public should be informed about the persons that preside over their sports federation. In particular, it should be possible to identify potential conflicts of interest.

## Democratic processes – More stakeholder participation needed

The democratic processes dimension with an average score of 41% ranks third among the four NSGO good governance dimensions. Most sports federations across all the three continents ensure democratic processes by implementing clear procedures for democratically (re-) appointing board members, establishing quorums for the board and the general assembly, and representing all affiliated members. However, most of these provisions are based on relevant civil laws in the countries, so it is not very surprising that the sports federations mostly meet these minimum standards.

However, there are some deficits that need to be addressed regarding this dimension. Only a minority of the sports federations take steps towards a differentiated and balanced composition of their board regarding responsibilities, background, and competences of each board function.

Sports federations need to pay more attention to ensuring the professional quality of the board. In a more complex environment, the governance of a sports organisation requires a wide range of competences in terms of leadership, management, and finance. In particular, in larger organisations it cannot be expected that one board member possesses all relevant competencies. Only a portfolio of competencies of all board members which covers all activity areas will contribute to an effective governance of the sports organisation.

In this context, the federations in the survey only implement nomination committees to a limited extent. In some countries, the nomination committee is established on an ad-hoc basis only to oversee the election process in election years. However, the nomination committee can be a strong mechanism to identify gaps in the portfolio of competencies within the board and help find suitable candidates to propose for elections when vacancies occur. Therefore, the establishment of nomination committees is strongly advised.

A balanced and competent board should also mirror the diversity of its members, since the board is mandated to govern and manage the federation in their best interests. Moreover, it is desired that the board also considers other relevant stakeholders of the organisation, such as athletes, referees, coaches, volunteers, and employees. The board will be best prepared to meet these requirements if it reflects the diversity of their stakeholders. Relevant parameters of diversity include, for example, gender, age, religion, social and ethnic background, and physical and mental abilities.

The NSGO benchmarking reveals significant shortcomings regarding the representation of key stakeholders. While the sports federations consider the representation of referees and

coaches to a 'moderate' extent, the representation of athletes in policy processes is 'weak', and the representation of volunteers is almost non-existent. In some countries, the sports federations reported problems in recruiting new members to their boards and therefore, do not implement term limits – which is not regarded as best governance practice.

Long tenures of board members can indeed weaken the sports federations' governance, as they accumulate power and increase the risk of conflicts of interest. Therefore, sports federations are recommended to create an environment for those people who are committed to their sports, such as the stakeholders mentioned here. In addition, the sports federations are strongly advised to improve on their policies ensuring that people of all genders have access to policy making.

## **Internal accountability and control – Identifying and regulating conflicts of interest**

The internal accountability and control dimension achieved a 'moderate' score of 44% across all sports federations, which makes it the second-best performing NSGO good governance dimension. The organisations perform well regarding the establishment of clear governance structures, such as defining key positions of the board. Furthermore, they ensure that the internal auditing process is overseen by a financial or audit committee. This is an important aspect, since an internal audit committee is regarded as an important governance function in the context of checks and balances and also plays an intermediating role with independent external auditors.

However, there are some deficits that need to be addressed, of which the adoption of conflicts of interest procedures and the definition of those circumstances under which a person, due to a conflict of interest, is ineligible to serve on the board. Conflicts of interest arise, when personal and private interests of collide with their fiduciary duties as board members and bear the risk that they do not act independently or in the best interests of their members or other stakeholders.

For example, a considerable number of the sports federations do not implement rules to prevent that an employee of a company with a commercial relationship with the organisation can act as a board member. Such deficits could hamper an efficient governance, since there is the risk that the sports organisation is exploited for commercial purposes that run counter to the members' and stakeholders' interests. The reports from the countries show that either conflicts of interest are largely ignored or respective procedures informally enacted. It is advised that conflicts of interest are clearly defined for board members and management, for example in the statutes or within codes of conduct.

In addition, most sport federations are advised to prepare budgets and long-term policy plans more strategically. Sport federations heavily rely on external funding, which most often is provided by state or municipal budgets or the national umbrella sports organisations. It is therefore obvious that budgets widely need to be aligned with the funding agencies' or organisations' policies. However, a strategic approach, which also considers alternative sources of income, is recommended.

Moreover, financial control systems are not widely implemented in all sports federations surveyed. While in some countries solid financial controls are in place, in others it is not the case, for example regarding the implementation of risk management and risk controlling processes.

A transparent financial planning ensures that sports federations can work on a solid basis. It also increases the accountability of the board, which can be stimulated with financial analyses, such as variance analysis. In addition, the board is encouraged to evaluate its own performance, which is not limited to financial performance. Evaluation procedures ensure that board members show responsibility for their performance and enable continual strategic policy planning.

## Societal responsibility – Taking care beyond sports

The NSGO benchmarking of the sports federations from 15 countries indicates that the biggest need for improving governance can be found in the societal responsibility dimension. The sports federations only moderately implement policies on anti-doping and sport for all. These efforts are not surprising as such, since sports federations are expected to comply with the World Anti-Doping Code or national anti-doping frameworks and organisations. However, the score for the principle was expected to be higher.

Most sports federations focus on high performance sports, either to fulfil sporting requirements made by governments for international sports events, such as the Olympic Games, or to promote national identity. To these ends, they also need sport for all policies to maintain and increase their pool for sporting talent. In addition, sport for all also contributes to a wider acceptance of the sports federations in society.

However, in almost all other principles in this dimension, the sports federations achieved 'weak' or 'not fulfilled' scores.

The weakest point has been identified in the lack of sufficient policies for promoting environmental sustainability. All but one country failed to fulfil the principle. Responsibility for the environment has become one of the most urgent challenges for the future, and sports organisations should commit to achieving the goals for creating a cleaner and more sustainable planet. Sports organisations are recommended to reflect on their own role to determine and reduce their 'carbon footprint'. In particular, high-performance sport involves a lot of travel for athletes and officials as well as sport spectators. Therefore, a more sustainably responsible approach to the planning and organisation of (large-scale) sporting events and competitions is needed in order to contribute to wider changes needed in society. Furthermore, the sports federations should implement better policies that enable (junior) athletes to combine their sporting career with opportunities to study or work. A sporting career is of a limited duration. In addition, it involves risks of injuries and other events, which may end the career prematurely. Sports federations are advised to consider that athletes need education in order to pursue a civil career after the sporting one.

More generally, the sports federations need to improve significantly in the areas of combating sexual harassment and anti-discrimination. As a consequence of scandals of sexual harassment and abuse, federations from the North American countries have implemented such policies widely. However, it appears that in most other countries there is little awareness about the issue.

Generally, the data suggests that some sports federations undertake actions in the area of societal responsibility, but hardly evaluate the outcomes of these actions. A strategic approach to establishing formal policies is needed, if the sports federations aim to move their responsibility also beyond the sports they govern and become catalysts for wider societal change.

# REPORTS FROM PROJECT PARTNERS

# NATIONAL SPORTS GOVERNANCE OBSERVER

## COUNTRY REPORT: BOSNIA AND HERZEGOVINA

## Key results: Bosnia and Herzegovina

Figures 1, 2, and 3 show Bosnia and Herzegovina's main NSGO scores. Table 1 summarises the surveyed federations' principle scores by showing their corresponding labels

Figure 1: Bosnia and Herzegovina's overall NSGO index score

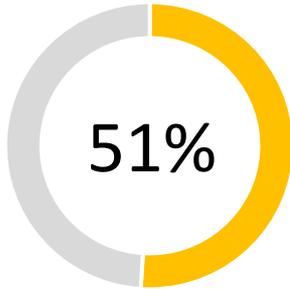


Figure 2: Bosnia and Herzegovina's scores on the four NSGO dimensions

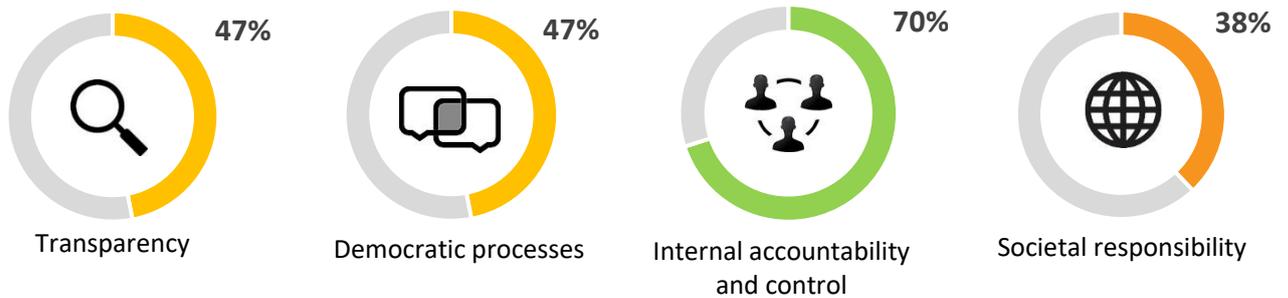
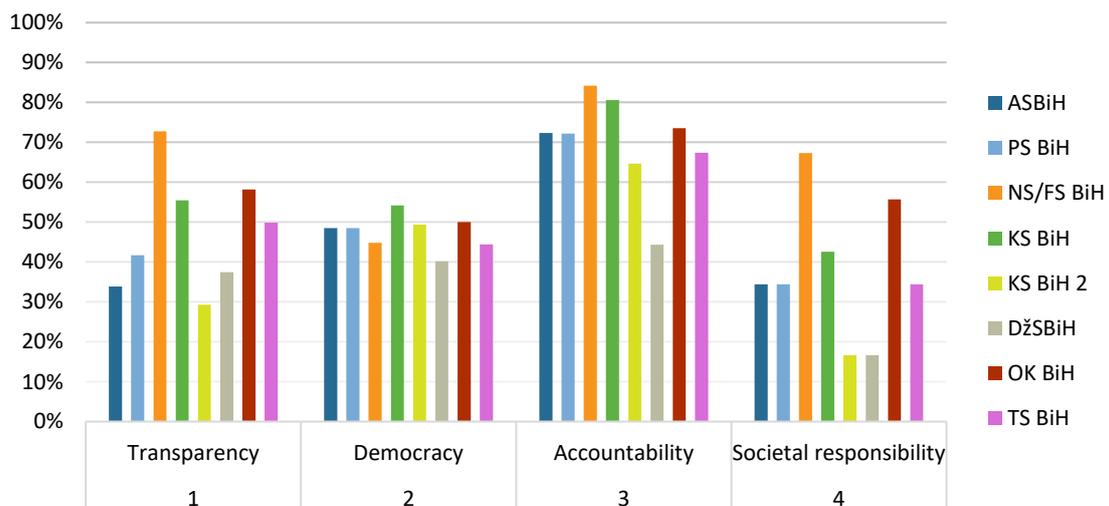


Figure 3: The surveyed Bosnia and Herzegovinian sport federations' scores on the four NSGO dimensions



See table 2 for the federations' full names.

**Table 1: The surveyed Bosnia and Herzegovinian sport federations' scores on the NSGO principles**

	Principle	AS BiH	PS BiH	NS/FS BiH	KS BiH	KS BiH 2	DŽS BiH	OK BiH	TS BiH
Transparency	1. Legal and policy documents	Orange	Green	Green	Green	Orange	Orange	Yellow	Green
	2. General assembly	Yellow	Orange	Yellow	Green	Yellow	Yellow	Yellow	Yellow
	3. Board decisions	Yellow	Yellow	Green	Green	Red	Yellow	Yellow	Red
	4. Board members	Red	Orange	Green	Orange	Red	Red	Green	Red
	5. Athletes and clubs	Red	Red	Green	Red	Red	Red	Orange	Green
	6. Annual report	Green	Green	Green	Green	Green	Green	Green	Green
	7. Remuneration	Orange	Yellow	Yellow	Red	Yellow	Yellow	Yellow	Yellow
Democratic processes	8. Elections of board members	Green	Green	Green	Green	Green	Green	Green	Green
	9. Policy for differentiated board	Red	Red	Red	Red	Red	Red	Red	Red
	10. Nomination committee	Green	Green	Green	Green	Green	Green	Yellow	Green
	11. Quorums	Green	Green	Green	Green	Green	Green	Green	Green
	12. Term limits	Red	Red	Red	Red	Red	Red	Red	Red
	13. Member representation	Green	Green	Green	Green	Green	Green	Green	Green
	14. Regular board meetings	Green	Green	Green	Green	Green	Green	Green	Green
	15. Athletes' participation	Orange	Red	Red	Orange	Orange	Red	Green	Orange
	16. Referees' participation	Yellow	Yellow	Orange	Yellow	Yellow	Red	White	Yellow
	17. Coaches' participation	Yellow	Yellow	Orange	Yellow	Yellow	Yellow	Yellow	Yellow
Internal accountability and control	18. Volunteers' participation	Red	Red	Orange	White	Red	Red	Red	Red
	19. Employees' participation	Yellow	Yellow	Orange	Yellow	Yellow	Yellow	Yellow	Yellow
	20. Gender equality policy	Red	Red	Red	Red	Red	Red	Red	Red
	21. Supervision of board	Yellow	Green	Green	Yellow	Yellow	Yellow	Yellow	Green
	22. Board resignation procedures	Yellow	Green	Green	Green	Green	Orange	Green	Yellow
	23. Board eligibility rules	Yellow	Red	Green	Yellow	Red	Red	Red	Red
	24. Clear governance structure	Green	Green	Green	Green	Green	Green	Green	Green
	25. Supervision of management	Green	Green	Green	Green	Green	Green	Green	Green
	26. Audit committee	Green	Green	Green	Green	Green	Green	Green	Green
	27. Financial controls	Green	Orange	Yellow	Green	Green	Green	Green	Green
Societal responsibility	28. Board self-evaluation	Green	Green	Green	Green	Green	Green	Green	Green
	29. External audit	Green	Red	Green	Green	Green	Red	Green	Red
	30. Code of conduct	Red	Green	Green	Green	Red	Red	Green	Green
	31. Conflict of interest procedures	Red	Yellow	Green	Yellow	Red	Red	Orange	Red
	32. Complaint procedure	Green	Green	Green	Green	Red	Red	Red	Green
	33. Appeal procedure	Green	Green	Green	Green	Green	Red	Green	Green
	34. Board meeting schedule	Green	Green	Green	Green	Green	Green	Green	Green
	35. Governance consulting	Red	Red	Red	Red	Red	Red	Red	Red
	36. Mitigating health risks	Green	Green	Green	Green	Green	Green	Green	Green
	37. Combating sexual harassment	Red	Red	Red	Red	Red	Red	Red	Red
Societal responsibility	38. Anti-doping	Green	Green	Green	Green	Green	Green	Green	Green
	39. Social inclusion	Red	Red	Red	Red	Red	Red	Red	Red
	40. Anti-discrimination	Green	Green	Green	Green	Red	Red	Green	Green
	41. Gender equality	Red	Red	Red	Red	Red	Red	Red	Red
	42. Anti-match-fixing	Green	Green	Green	Green	Red	Red	Green	Green
	43. Environmental sustainability	Red	Red	Red	Red	Red	Red	Red	Red
	44. Dual careers	Red	Red	Red	Red	Red	Red	Green	Red
	45. Sport for all	Red	Red	Green	Red	Red	Red	Green	Red
	46. Athletes' rights	Red	Red	Red	Green	Red	Red	Red	Red

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

By Marko Begović<sup>3</sup> and Damir Ahmić<sup>4</sup>

## Overview

This chapter on sports federations in Bosnia and Herzegovina benchmarks seven sports federations responsible for athletics, football, judo, swimming, basketball, karate, tennis, and the umbrella sport organisation – the NOC of Bosnia and Herzegovina (OK BiH). The data collection began in March 2020. All benchmarked federations had the opportunity to give feedback by 25 July 2020.

The average NSGO index score for the Bosnia and Herzegovina federations is 51%, which constitutes a ‘moderate’ score. In relation to the general index score, the federations perform ‘good’ within the dimension internal accountability and control, ‘moderate’ within transparency and democratic processes, and ‘weak’ within the societal responsibility dimension.

The chapter continues by discussing the context of good governance in Bosnia and Herzegovina including the regulatory framework and governance-related policies in the field of sport. The following section elaborates on the methods used for gathering and analysing data. The fourth section presents the results of the study, while section five discusses the results and policy implications.

---

<sup>3</sup> Associate Professor, Faculty of Sport, on behalf of University of Travnik, Bosnia and Herzegovina and University Union - Nikola Tesla, Serbia

<sup>4</sup> Professor, University of Travnik

## Context

### Corporate governance culture

The current sports system in Bosnia and Herzegovina reflects quite complex and multi-layered socio-political realities after the Dayton Peace Agreement. Although the Law on Sport stipulates governance-related provisions, there is no specific good governance code for sports. The political landmark and structure of sports are based on decentralised and strong entities with limited shared jurisdictions and competences.

However, the legacy of Yugoslav socialist sport is still present, and it is especially present in the dimension internal accountability and control. The legal foundation is based on the Law on Physical Culture in Bosnia and Herzegovina from 1977 emphasizing proactive engagement of the public authorities in tackling privatisation, bureaucratisation, and capitalist tendencies. The Association for Physical Culture (1980) adopted governance-related sports specific measures enabling:

- An active role for athletes and coaches in decision-making bodies and processes
- The involvement of the workers' councils in the governance of sports organisations
- The implementation of a delegate system and term limits
- And enhanced transparency.

The legal system of Bosnia and Herzegovina is both complex and multi-layered with decentralised jurisdiction to the level of entities and cantons. The corporate governance is regulated autonomously within each entity's legal system with limited cooperation at the state level. In both the Federation of Bosnia and Herzegovina (FBiH) and the Republic of Srpska (RS), the corporate governance is based on the Law on Companies, the Law on Banks and the Law on Accounting and Audit (Cigna et al. 2017). The FBiH adopted a corporate governance code in 2009, while the RS established it already in 2006 (revised in 2011). Both codes are enforced in self-assessment capacity with limited implementation.

### Sports system

The Dayton Peace Agreement in 1995 ended a four-year civil war in the former Yugoslavia. The agreement has also set up political and institutional arrangements for Bosnia and Herzegovina (BiH) decentralising the country in two entities consisting of the Federation of Bosnia and Herzegovina represented by Croats and Bosnians and the Republic of Srpska with a population dominated with Serbs. Within both entities, there are established regional authorities (Cantons). Currently, there are ten cantonal units and the Brčko District operating. Therefore, BiH is decentralised according to the ethnic differences and the three constituents' nations within the two entities. Stjepanović (2015) argued that the "most powers are exercised by cantons" with ethnic majorities.

The sports system reflects this unique political and institutional power sharing frame (Art. 5 of the Law on Sport). According to the article 15 of the Law on Ministries and other

Administrative Bodies, the Ministry of Civil Affairs is responsible for performing coordination and harmonisation activities with other governmental, entity, and cantonal institutions in the field of sports. The sports sector within the Ministry of Civil Affairs represents operational units comprised of three administrative bodies:

- The Department for Monitoring Development and Implementation of Sport Policies
- The Department for International Cooperation and Development of Sport
- The Department of IT System in Sport.

The competences of the sports sector are broad including:

- **Regulatory tasks** – preparation and execution of regulations, adopting the rulebook for categorisation of athletes and sports facilities, keeping the register of legal and natural persons, and preparing international agreements and contracts.
- **Administrative tasks** – determining the basic principles for the coordination of activities between state, entity, and cantonal level, developing cooperation between sports movements and public institutions, the implementation of administrative duties in accordance with the Law on Sport, and determining the content and form of the IT system in sports.
- **Organisational tasks** – organisation and managing the development of sports policies, participation in international forums, implementation of internationally binding norms, and budgeting.

At the entity level, the Ministry of Family, Youth and Sport (Republic of Srpska), and the Federal Ministry of Culture and Sport (Federation of Bosnia and Herzegovina) are the main regulatory institutions. At the cantonal level, there are ten cantons with their own legislation and policies in the field of sports. In between the governmental sector and the cantons, the Brčko District established the Department for Economic Development, Sport and Culture. Contributing to the very complicated structure of the public sector, the local self-government established different administrative units for sports.

The Law on Sport (with amendments from 2016) recognises three umbrella sport organisations – the Olympic Committee of Bosnia and Herzegovina (OK BiH), the Paralympic Committee of Bosnia and Herzegovina (POK BiH), and the Special Olympics of Bosnia and Herzegovina (SO BiH). The OK BiH performs activities in accordance with the principles of the Olympic movement. It represents BiH in the work of the International Olympic Committee (IOC) and the IOC sport events, organises activities of the BiH athletes prior to the major sports events, takes part in the development of the sports policies in BiH, and is responsible for arbitration proceedings. The POK BiH contributes to the inclusion of a large number of disabled people through sports and enabling Paralympians to take part in the organised national and international sporting events. The SO BiH is the sports organisation at state level that organises activities for people with intellectual disabilities.

## Governance-related sports policies

The Sport Strategy and the Programme for Sport Development are adopted with consent from the entities and the Brčko District. In accordance with the Law on Sport (Art. 10) and the Sport Strategy, the cantons and other administrative units develop their policies in the field of sports. The main goal of development of the multiannual policy plan is to establish and maintain structure to position sport as part of societal and educational needs. There are three core principles for developing strategic documents in BiH:

- Sport for all
- Talent identification system
- High-performance sport.

The development of the new strategic document 2020-2028 is pending as a result of the dissonant political views on sports.

Although the Law on Sport represents a central governance regulatory mechanism for the sports system in BiH, it has a limited role. Sport is an activity of public interest for BiH focused on the development of civic engagement through sports, promoting health and educational values, and high-performance sports (art. 7). Art. 16 of the law recognises different legal persons, while art. 18 stipulates that amateur sports clubs shall be established in accordance with the Law on Not-for-Profit Organisations. A professional sports club shall be established in accordance with the Law on Companies (art. 20). The law recognises the opportunity for athletes and sports professionals to establish a union (Art. 43). Art. 23 stipulates a set of rules for national sports federations (NSFs):

- Development of particular sports including the implementation of competition systems
- Adopting policies (including development programs) in accordance with the Sport Strategy
- Representing BiH in international forums and competitions.

The law specifically stipulates a program of activities for the OK BiH (art. 27). The law recognises different contractual possibilities for athletes, sports professionals, and administration personnel in accordance with the Law on Employment in the Institutions of Bosnia and Herzegovina.

## Financing

Contributing to the quite complex political system, the financing model could be defined as combined. At the central level, a limited amount is provided to:

- The NSFs at the central level
- OK BiH and POK BiH
- Clubs

Entities focus on supporting NSFs at the entity level and clubs. Since there are no restrictions, the entities could allocate funds to the federations at the central level. Cantons are focused on supporting clubs, while local self-governments are transferring public funds to local federations and clubs.

According to the Law on Sport, the Sport Sector within the Ministry of Civil Affairs is in charge of the development and implementation of sports policies (Art. 60). The policy planning includes preparing priority themes for the following year; however, the entities and cantons are not obliged to adhere to these priority themes. The priority themes for funding are based on the public interest defined in the Law on Sport (Art. 7), and the public funding shall be implemented in accordance with the Sport Strategy (Art. 66).

The law provides for special subsidies for athletes and sports organisations for the construction and maintenance of sports facilities, the organisation of major sports events, the procurement for sports equipment, and health examination of athletes (Art. 67). The tax-related legislation stipulates that an investment in the development of sports shall be exempted from taxation (Art. 68).

## Methods

There are NSFs and three umbrella organisations – the OK BiH, POK BiH, and SO BiH. A sample of seven NSFs and the umbrella organisation OK BiH were selected and benchmarked in accordance with the NSGO methodology (five compulsory and three recommended sports/organisations). The federations were selected based on the following criteria:

- Core sports (athletics and swimming)
- Traditional sports (football and basketball)
- Martial arts (judo and karate)
- Sports on the Olympic programme

As to the sample, we have included small, medium, and large federations according to the number of employees. The data collection began in March 2020. All benchmarked federations had the opportunity to give feedback by 25 July, 2020.

**Table 2: Sport, official name, and official acronym of sample federations**

Sport	Official name	Official acronym
Athletics	Atletski savez Bosne i Hercegovine	AS BiH
Swimming	Plivačkii savez Bosne i Hercegovine	PS BiH
Football	Fudbalski savez Bosne i Hercegovine	NS/FS BiH
Basketball	Košarkaški savez Bosne i Hercegovine	KS BiH
Karate	Karate savez Bosne i Hercegovine	KS BiH 2
Judo	Džudo savez Bosne i Hercegovine	DŽS BiH
Umbrella federation	Olimpijski komitet Bosne i Hercegovine	OK BiH
Tennis	Teniski savez Bosne i Hercegovine	TS BiH

## Results

The average NSGO index score of the benchmarked sports federations in Bosnia and Herzegovina is 51%, which constitutes a 'moderate' score. In relation to the general index score, the federations perform 'good' within the dimension internal accountability and control, 'moderate' within transparency and democratic processes, and 'weak' within the societal responsibility dimension.

The internal accountability and control dimension scores the highest of the four (70%), while the democratic processes dimension (47%) and the transparency dimension (47%) share the second place. The societal responsibility dimension scores 38%.

### Dimension 1: Transparency

The transparency dimension achieves a score of 47%. The benchmarked federations are good in keeping members of governing bodies informed on decision-making processes/decisions.

- All the federations publish their statutes, internal regulations, and sports rules on their websites or provide them to their internal stakeholders via email or through a protected member section on the organisations' websites.
- Before the meetings take place, most of the federations provide the agenda of their general assembly meetings to their internal stakeholders via email or through a protected member section on the organisations' websites.
- All the federations provide public versions of the minutes from their board meetings and annual reports from the past 12 months to their internal stakeholders via email.

Although the current structure of the sports system is quite decentralised, the federations implement the minimum governance standards. However, when it comes to the more advanced set of indicators in relation to transparency

- Half of the organisations provide a list of names of the members of the board on their website.
- A total of 25% of the organisations' websites list the start and the end date of the mandate of each member of the board, including the duration and the number of previous mandates.
- Some 25% of the federations provide biographical information about individual board members, including their professional background.
- None of the federations publish their latest annual reports on their websites.
- A minority of the federations explore risks associated with the organisation or how they aim to control these risks in their latest annual reports.
- None of the federations provide a statement on the organisation's remuneration policy in their remuneration report.

## Dimension 2: Democratic processes

The benchmarked federations performed moderate (47%) in the democratic processes dimension. The federations scored well in respect to the segments that are regulated within the statutes and accompanying internal regulations.

- All the federations have written rules and procedures for the (re-)appointment of board members.
- All the federations have written rules to ensure that the general assembly directly elects the majority of the members of the board.
- All the federations establish a quorum in their statutes/internal regulations for the board.
- All the federations establish a quorum of at least 50% for the general assembly.

The benchmarked federations meet minimum standards in implementing regulations related to the organisation of governing body meetings.

- All the federations' statutes establish that the general assembly meets at least once a year.
- All the federations' internal regulations establish procedures that make it possible to convene emergency and extraordinary meetings.
- All the federations' internal regulations establish procedures for the adoption of decisions.

However, the federations underperform when it comes to the more demanding governance standards.

- None of the federations' boards have a document establishing the desired profile of each board function.
- None of federations have a formal policy that outlines objectives and specific actions aimed at encouraging the equal access to representation for women and men in all stages of decision-making processes.
- None of the federations have statutory provisions to establish term limits for board members.

As to the indicators reflecting representation as the core democratic principle, we found that

- Some 13% of the federations have a formal policy aimed at involving athletes in decision-making bodies and processes.
- However, a total of 63% of the federations have athletes formally represented within the organisation.

- When it comes to other stakeholders, all the federations have coaches formally represented within the organisation, while 86% of the federations have referees formally represented.<sup>5</sup>

### Dimension 3: Internal accountability and control

The general NSGO index score for the internal accountability and control dimension is 70%, which constitutes the score 'good'. One of the reasons lies in the fact that the current Law on Sport *explicitly* stipulates provisions that enhance accountability towards members of federations.

- All the federations have statutes/internal regulations establishing that the general assembly approves the annual financial statements.
- All the federations' statutes/internal regulations establish that the general assembly must approve the annual policy plan proposed by the board.
- All the federations' statutes establish an independent financial or audit committee whose members are appointed by the general assembly.

As to the financial control system, the benchmarking showed that due to the absence of relevant legislation

- None of the federations' internal regulations establish a system in which agreements or payments on behalf of the organisation must be signed by at least two persons.
- None of the federations' internal regulations establish a system that the same person cannot receive, record and deposit funds.
- None of the federations' internal regulations restrict the use of cash.

As to the indicators on separation of power, the benchmarked federations perform very well due to regulatory policies.

- All the federations' statutes define key positions on the board, e.g. the president and the general secretary.
- All the federations' statutes establish that the general assembly determines the federation's mission, vision, and goals.
- All the federations' statutes/internal regulations define the purpose of each of the standing committees, while 88% of the federations' statutes/internal regulations define composition, delegated tasks, and reporting requirements of each of the standing committees.

### Dimension 4: Societal responsibility

The federations achieve a 'weak' average score of 38% on the fourth dimension – societal responsibility. However, there are areas in which the federations achieve solid scores.

---

<sup>5</sup> Due to its nature and scope, the OK BiH do not have referees formally represented and it is scored NA.

- All the federations have a written policy aimed at mitigating the health risks associated with sporting activities.
- In relation to the above, all the federations have a designated staff member (or team) who formally acts as a focal point for all matters regarding health-related risks associated with sporting activities.
- All the federations have a policy in place aimed at preventing, detecting, and combating doping practices.
- In relation to the above, all the federations implement disciplinary rules in conformity with the World Anti-Doping Code.

Federations underperform when it comes to prescribing policies that go beyond sports rules.

- None of the federations have a written policy aimed at combating sexual harassment in sport.
- Some 13% of the federations have a written policy aimed at improving social inclusion through sport.
- None of the federations have a written policy aimed at improving environmental sustainability.

## Discussion and policy implications

The benchmarked federations' score on the NSGO index is 51%, indicating that the sports system in Bosnia and Herzegovina performs at a 'moderate' level. The federations mostly implement minimum standards of good governance. The overall results show that the internal accountability and control dimension outperforms the other three dimensions. The average score on the societal responsibility dimension is 'weak'.

- 1. Transparency:** The results in this dimension show that the selected federations publish their statutes and internal regulations including sports rules, thereby contributing to the implementation of minimum governance standards. However, the federations could improve their performance by adopting more detailed reports including remuneration policy and risk assessment.
- 2. Democratic processes:** The federations implement regulatory provisions enabling democratic conditions regarding the electoral procedures, and procedures and protocols for governing body meetings with adequate internal regulations in place. The federations are encouraged to adopt provisions to enable a more balanced composition of governing bodies and to include provisions to limit terms of office. As to the representation, the key precondition for democratic processes, the federations are encouraged to implement policies that will involve athletes in decision-making processes.
- 3. Internal accountability and control:** Most of the federations implement provisions regarding the separation of power. The federations' statutes/internal regulations define the purpose of standing committees and most of the federations' internal regulations define composition, delegated tasks, and reporting of the main bodies and standing committees. Chronically, the federations from the region lack in strategic and long-term planning. One of the reasons lies in the dominant orientation towards public funding which is organised through annual calls.
- 4. Societal responsibility:** The federations generally underperform in this dimension and score negatively in relation to the promotion of a dual-career system, combating sexual harassment, gender-based-violence in and through sports, and lastly, promoting environmental sustainability. However, when it comes to the policies aimed at mitigating health risks or detecting and combating doping practices, the federations are well prepared and organised. This discrepancy can be explained by the fact that the federations are focused on basic competitive-related aspects of governance and they are not under political, legal, or policy pressure to develop more comprehensive governance structures and mechanisms.

The constitutional and political arrangements in Bosnia and Herzegovina represent a major determinant for the development of sport. The sports system is decentralised, with limited shared jurisdiction and competencies and cooperation in practice. The major sports policy makers remained on the entity level, and more in-depth research is needed to understand the development of sports-related policies and the impact level from the various public

actors. The impact from political parties on all three levels (state, entity, and cantons) is very strong and serves to hold a grip over the public institutions (Kapidžić, 2019). Resolving this complex political, legal, and structural dilemma of Bosnia and Herzegovina serves as a precondition for developing the sports system.

## References

Cigna, G. P., Djuric, P., Sigheartau, A. 2017. Corporate Governance in Transition Economies Bosnia and Herzegovina: Country report. Retrieved from <https://www.ebrd.com/what-we-do/sectors/legal-reform/corporate-governance/sector-assessment.html>

Kapidžić, D. 2019. Subnational competitive authoritarianism and power-sharing in Bosnia and Herzegovina, *Southeast European and Black Sea Studies*, doi: 10.1080/14683857.2020.1700880

Law on Companies 2004, Official Gazette of Bosnia and Herzegovina 42/04

Law on Employment in the Institutions of Bosnia and Herzegovina 2005, Official Gazette of Bosnia and Herzegovina 26/04, 7/05, 48/05

Law on Physical Culture in Bosnia and Herzegovina, Official Gazette of Socialist Republic of Bosnia and Herzegovina 3/77

Law on Sport 2016, Official Gazette of Bosnia and Herzegovina 27/08, 102/09, 66/16

Sarajevo Stock Exchange, 2009. Corporate Governance Code. Retrieved from [https://ecgi.global/sites/default/files//codes/documents/cg\\_code\\_sarajevo\\_23mar2009\\_ba.pdf](https://ecgi.global/sites/default/files//codes/documents/cg_code_sarajevo_23mar2009_ba.pdf)

Standard of Corporate Governance 2011, Official Gazette of the Republic of Srpska 2921/11

Stjepanović, D. 2015. Territoriality and Citizenship: Membership and sub-state polities in post-Yugoslav space *Europe-Asia Studies*, 67(7): 1030-1055

Yugoslav Association for Physical Culture, 1980. Principles for organization of competitions; prepared for annual General Assembly meeting of the RSIZ. Republic Self-Managing Communities of Interest fond (Item no. 02-604). Cetinje: State Archive of Montenegro

# NATIONAL SPORTS GOVERNANCE OBSERVER

## COUNTRY REPORT: BULGARIA

## Key results: Bulgaria

Figures 1, 2, and 3 show Bulgaria's main NSGO scores. Table 1 summarises the surveyed federations' principle scores by showing their corresponding labels.

Figure 1: Bulgaria's overall NSGO index score

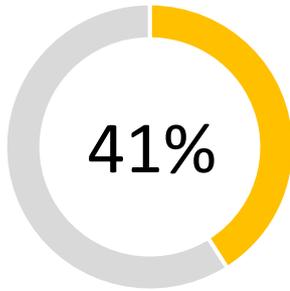


Figure 2: Bulgaria's scores on the four NSGO dimensions

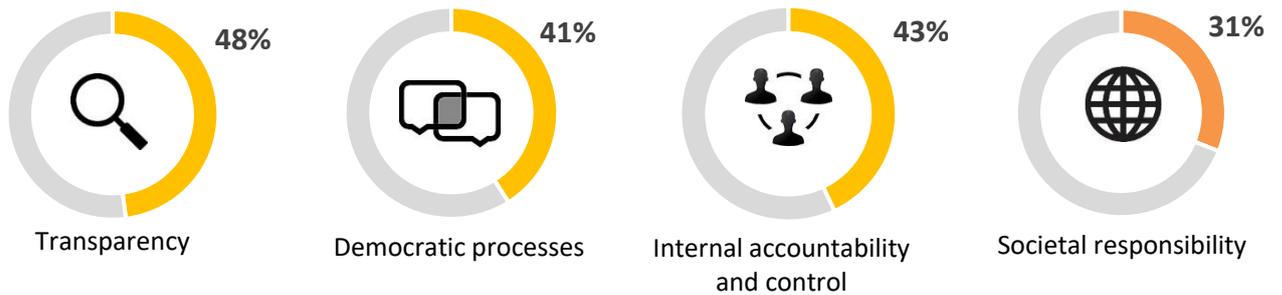
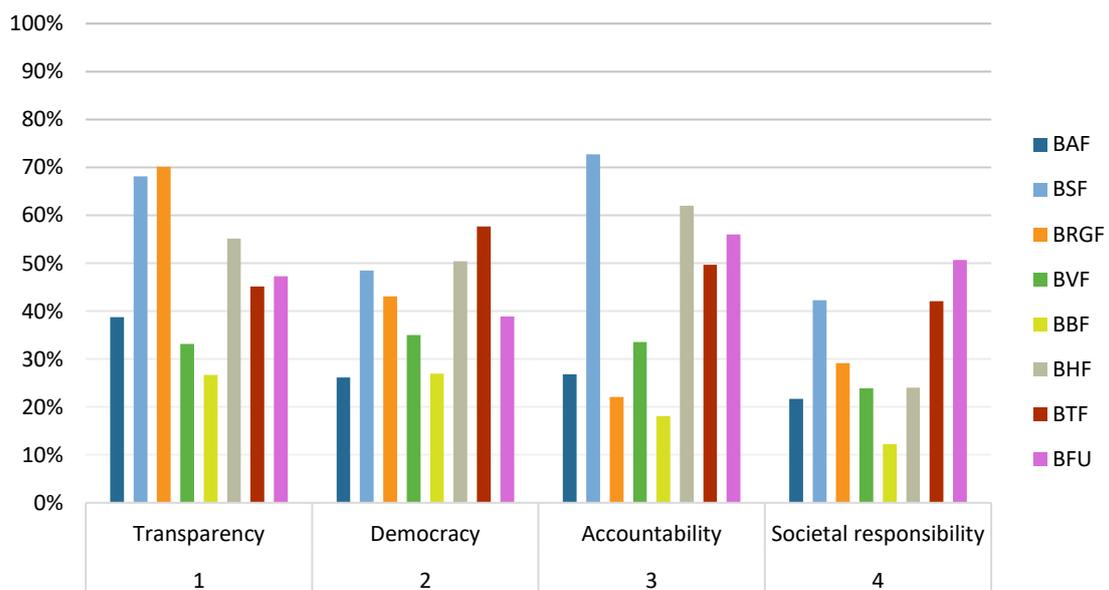


Figure 3: The surveyed Bulgarian sports federations' scores on the four NSGO dimensions



See table 2 for the federations' full names.

**Table 1: The surveyed Bulgarian federations' scores on the 46 NSGO principles**

	Principle	BAF	BSF	BRGF	BVF	BBF	BHF	BTF	BFU
Transparency	1. Legal and policy documents	Orange	Green	Green	Light Green	Light Green	Green	Light Green	Light Green
	2. General assembly	Yellow	Yellow	Green	Green	Yellow	Yellow	Yellow	Yellow
	3. Board decisions	Orange	Yellow	Yellow	Red	Red	Green	Red	Red
	4. Board members	Orange	Orange	Light Green	Red	Red	Orange	Light Green	Green
	5. Athletes and clubs	Light Green	Green	Green	Red	Red	Orange	Light Green	Red
	6. Annual report	Yellow	Light Green	Green	Yellow	Yellow	Light Green	Yellow	Yellow
	7. Remuneration	Red	Green	Red	Red	Red	Red	Red	Light Green
Democratic processes	8. Elections of board members	Yellow	Light Green	Green	Light Green	Green	Light Green	Green	Light Green
	9. Policy for differentiated board	Red	Light Green	Green	Orange	Red	Yellow	Light Green	Red
	10. Nomination committee	Red	Red	Red	Red	Red	Green	Green	Yellow
	11. Quorums	Light Green							
	12. Term limits	Red							
	13. Member representation	Light Green	Yellow						
	14. Regular board meetings	Yellow	Green	Light Green	Green	Red	Green	Green	Green
	15. Athletes' participation	Red	Yellow	Red	Red	Red	Red	Orange	Red
	16. Referees' participation	Yellow	Yellow	Yellow	Yellow	Yellow	Green	Green	Light Green
	17. Coaches' participation	Yellow	Yellow	Green	Light Green	Yellow	Green	Green	Light Green
Internal accountability	18. Volunteers' participation	Red							
	19. Employees' participation	Red	Green	Red	Red	Red	Red	Red	Orange
	20. Gender equality policy	Red							
	21. Supervision of board	Orange	Light Green	Yellow	Green	Yellow	Green	Light Green	Orange
	22. Board resignation procedures	Red	Orange	Red	Red	Red	Green	Red	Orange
	23. Board eligibility rules	Red	Orange	Orange	Orange	Orange	Orange	Red	Yellow
	24. Clear governance structure	Orange	Green	Green	Orange	Orange	Green	Green	Light Green
	25. Supervision of management	Orange	Green	Red	Red	Orange	Red	Yellow	Green
	26. Audit committee				Red				Red
	27. Financial controls	Red	Orange	Red	Red	Red	Light Green	Green	Light Green
Societal responsibility	28. Board self-evaluation	Yellow	Green	Red	Yellow	Red	Red	Red	Red
	29. External audit	Green	Red	Red	Yellow	Green	Yellow	Green	Green
	30. Code of conduct	Orange	Green	Red	Red	Red	Green	Red	Orange
	31. Conflict of interest procedures	Red	Green	Red	Red	Red	Yellow	Orange	Light Green
	32. Complaint procedure	Red	Green	Light Green	Light Green	Red	Green	Light Green	Yellow
	33. Appeal procedure	Light Green	Light Green	Light Green	Light Green	Red	Light Green	Light Green	Green
	34. Board meeting schedule	Red	Green	Red	Light Green	Red	Light Green	Light Green	Green
	35. Governance consulting	Red	Red	Light Green	Yellow	Red	Red	Orange	Light Green
	36. Mitigating health risks	Red	Light Green	Orange	Red	Red	Red	Green	Yellow
	37. Combating sexual harassment	Red	Light Green	Red	Red	Red	Red	Red	Red
Societal responsibility	38. Anti-doping	Green	Green	Green	Green	Light Green	Green	Green	Green
	39. Social inclusion	Red	Red	Red	Red	Red	Red	Yellow	Yellow
	40. Anti-discrimination	Red	Green	Red	Red	Red	Red	Red	Red
	41. Gender equality	Red							
	42. Anti-match-fixing	Red	Red	Red	Red	Red	Orange	Orange	Green
	43. Environmental sustainability	Red	Light Green	Red	Red	Red	Red	Red	Red
	44. Dual careers	Yellow	Red	Red	Red	Red	Red	Yellow	Red
	45. Sport for all	Light Green	Orange	Green	Yellow	Red	Light Green	Light Green	Green
	46. Athletes' rights	Light Green	Green	Green	Green	Green	Green	Green	Green

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

By Petya Koseva<sup>6</sup>

## Overview

The present research of Bulgarian sports governance benchmarks the federations governing athletics, swimming, rhythmic gymnastics, volleyball, boxing, handball, tennis, and football. A standardised data gathering process was followed and the data was gathered from January to May 2020.

The average NSGO index score in the sample is 41%, which was labelled as 'moderate'. The result for the dimensions of 'transparency' is 48%, 41% for 'democratic processes' and 43% for 'internal accountability'. The only 'weak' result received is for 'societal responsibility' – 31%.

This shows that the governance of the federations is at a 'moderate' level. The purpose of this study is to help improve the quality of governance in Bulgarian sports federations. In recent years, and especially as a result of the Bulgarian presidency of the Council of the European Union in the first half of 2018, Bulgaria has significantly strengthened its activities in the field of sports, but still has something to achieve in the field of good governance.

The results obtained from the present study show that Bulgaria should pay more attention to good governance in order to contribute to the development of sports in the country.

---

<sup>6</sup> PhD, Ministry of Youth and Sports of Bulgaria, Sofia

## Context

### Corporate governance culture

For a number of years, Bulgarian companies have been applying the principles and norms of corporate governance as set out in the Commercial Code and the public offering of the Securities Act. The entry into the European Union in 2007, the development of the capital market and stronger investor requirements have increased the need for a National Code for Corporate Governance. As required by European standards and the EU Action Plan for Modernisation of Company Law and Enhancement of Corporate Governance, the adoption and implementation of national codes by member states is an important condition for efficient free movement of goods, services, capital and people<sup>7</sup>.

The code follows the 'comply or explain' principle, meaning that companies should comply with the code, yet if they do not, the company or its corporate board must explain and disclose the reasons for non-compliance. Companies should post information about the implementation and compliance with the code on their websites and include it in their annual reports. Due to the development of the economy and corporate culture in Bulgaria it is envisaged that the code is reviewed regularly and, if necessary, updated every 18 months.<sup>8</sup>

In a scientific research project on the 'Implementation and Application of the Principles of the National Code of Corporate Governance by Bulgarian Public Enterprises' by Associate Professor Dr. Plamen Chipev (BAS), an evaluation methodology has been derived and an empirical evaluation of the implementation of the national code has been made on the basis of an evaluation card. It was found that the content of the map creates opportunities for analysts, investors, and the companies themselves to assess the scope and quality of their management practices and to find potential for improvement, to make cross-industry and cross-national comparisons, and to easily disseminate the results among stakeholders. The study formalised the empirical evaluation algorithm set out in the roadmap and opened the way for further analysis and refinement.

Many Bulgarian public companies have successfully developed and implemented their own corporate governance charter, similarly to their Central and Eastern European partners.<sup>9</sup> The National Committee on Corporate Governance (NCGC) was established for the promotion of best practices in corporate governance and the development of the Bulgarian National Corporate Governance Code. The main activities of the committee, set out in the rules for the structure and activity of the NCGC, include:

- Encourage the implementation of best practices in corporate governance
- Monitor the implementation of the Bulgarian National Corporate Governance Code
- Review the code every 18 months or initiate changes where necessary

---

<sup>7</sup> Bulgarian National Corporate Governance Code, October 2007

<sup>8</sup> Germanova R., 2008, Corporate Social Responsibility as Corporate Governance Tool: The practice by the business in Bulgaria

<sup>9</sup> Hardi P., Buti K., 2012, 'Corporate governance variables: lessons from a holistic approach to Eastern-European practice', Corporate Governance, 12(1).

- Develop mechanisms to monitor the implementation of the code
- Follow and comply with trends of corporate governance at the national and international level
- Prepare recommendations to regulators to improve corporate governance
- Develop and present guidelines for best practices in specific areas of corporate governance
- Prepare and publish annual assessments of the corporate governance in the country
- Cooperate with similar institutions in other countries and their associations along with international organisations.<sup>10</sup>

## Sports system

The Bulgarian sports system is defined as ‘bureaucratic’, according to the descriptions by the VOCASPORT Research Group. This is defined by a high degree of dependency on the state. A bureaucratic sports system is centralised and reflects specific government requirements. It is defined as continuous and sustainable. There is a tendency to commercialise and reduce the role of the state, but while the main financial instrument is the state, this alone is not feasible. The strength of this system is the accountability and transparency requirements.

According to Art. 7 of the Physical Education and Sports Act, the main priorities of the national policy in the field of sports and physical activity are approved by the Council of Ministers, which annually provides the necessary funding for sports and physical activity under the State Budget Act of the Republic of Bulgaria. The Council of Ministers adopts the national programme for the development of physical activity, physical education, sport, and sports tourism for four years. Moreover, the Parliament adopts a national strategy for the development of physical activity, physical education, sport, and sports tourism for a period of 12 years. Within the structure of the Parliament there is a separate Committee on Children, Youth and Sports, which is a permanent committee in the structure of the parliament and considers bills, draft resolutions, declarations, appeals and other proposals related to children, youth and sports and prepares reports, proposals and opinions.

The Minister of Youth and Sports is the central sole executive body that develops, organises, coordinates and supervises the implementation of state policy in the field of youth and sports, as well as sports tourism activity, and the Ministry of Youth and Sports implements this policy. The Physical Education and Sports Act defines three main types of sports organisations: Sports clubs, sports federations and national sports organisations. The Ministry of Youth and Sports works in close cooperation with selected organisations in the field of sports, as well as with the Bulgarian Olympic Committee and the National Paralympic Organisation.

There are also sports schools (municipal and state), which are specialised schools within the scope of the Preschool and School Education Act and provide general and specialised training in the field of sports and secondary education, as well as professional training in

---

<sup>10</sup> <https://nkku.bg/bg/contacts/uncategorised/get-in-touch>

the field of professional sport. The only specialised higher education institution for sports is the National Sports Academy 'Vasil Levski'. The Anti-Doping Centre is a specialised body for the implementation of the anti-doping policy in Bulgaria.

Municipalities play an important role in the development of sport in the country. A large part of the sports facilities are municipal. The municipal councils set the budgets, provide financial support to the sports clubs, and provide access to municipal sports fields and facilities.

The activities in the field of physical education, physical activity, sport, and sports tourism are financed with funds from the state budget, municipal budgets, funds provided in implementation of international agreements and programmes, and funds from other sources. The funds for financial support of sports organisations are provided on the basis of annual contracts for the development of sports, taking into account the social significance of the sports activities that are performed. The financial support of activities with public funds is carried out in compliance with the rules in the field of state aid. Sports organisations can also recruit sponsors and external funding and provide additional income in the form of fees for sports championships or commercial products, such as tickets, sports rights, educational and sports products, and advertising. The sports funds under the consolidated fiscal programme for the period 2018-2021 amount to 0.1% of the gross domestic product.

The main documents relevant to the development of sport are:

- Physical Education and Sports Act
- Act concerning the Youth
- Act for Protection of Public Order during Sports Events
- Act on Bulgarian Citizenship
- Rules for the Implementation of the Physical Education and Sports Act
- Ordinance on Anti-doping Activity - effective from 14.06.2019
- Ordinance 1 of 4.02.2019 on the Coaching Staff
- Ordinance No. 3 of April 2, 2019 on the Procedure for Financial Assistance to Activities in the Field of Physical Activity, Physical Education, Sport, and Sports Tourism Activity
- Ordinance No. 4 of July 8, 2019 on Financial Support for the Construction and Renovation of Sports Sites - State and Municipal Property
- Ordinance No. 6 of May 10, 2018 on the Procedure for Licensing Sports Organisations in the Republic of Bulgaria
- National Strategy for the Development of Physical Education and Sport in the Republic of Bulgaria 2012 - 2022
- National Programme for the Development of Physical Education and Sports 2018 - 2020
- National Strategy for Fight Against the Use of Doping in Sport (2015-2024)
- National Youth Strategy 2010-2020.

Conventions and other international instruments are:

- Council of Europe Anti-Doping Convention
- Council of Europe Convention on an Integrated Safety, Security and Service Approach at Football Matches and Other Sports Events
- Council of Europe Convention on the Manipulation of Sports Competitions
- UNESCO International Anti-Doping Convention
- World Anti-Doping Code and Standards.

## Governance-related sports policies and regulations

After 1990, a new democratic society was dynamically established in Bulgaria. Under the influence of dynamic political, social, and economic changes, changes are taking place in the construction and functioning of basic systems of society – political, economic, social, educational, cultural, health, and that of physical education and sports. Until 1992, the system of physical education and sport was governed under the principle of ‘public administration’. This approach also involved the so-called principle of ‘democratic centralism’ at all levels of government – national, district, regional and local, under which the management of all organisations related to sport and sports tourism is carried out. In the same year, the Committee for Youth and Sports under the Council of Ministers of the Republic of Bulgaria was established, which changed the relationship between the state (the government and the Ministry of Physical Education and Sports) and public sports organisations (federations, associations, unions) to some extent.

In 2007, Bulgaria was accepted as a regular member of the European Union, which sets a number of requirements for the establishment and development of the national sports system. In 2018, the main legal framework was adopted, which regulates the system of physical activity, physical education, sport, and sports tourism in the Republic of Bulgaria – the Physical Education and Sports Act (in force from 18.01.2019).

The new sports policy of the Republic of Bulgaria includes the following main priorities and accents:

- Providing opportunities for practicing physical activity and sports tourism
- Developing student sports
- Developing high performance sports as a means to increase the prestige of the nation
- Construction, reconstruction and modernisation of sports facilities according to EU standards
- Accreditation of the doping control laboratory by the World Anti-Doping Agency.

In the new act, transparency is enshrined as a basic principle. Sports federations are associations of non-profit sports clubs, which coordinate the development, practice and administration of the sport at the national level and represent their members before the state and in the relevant international sports organisations. If the sports federation wants to be recognised as a national sports federation, the organisation must be a member of the relevant international sports organisation and has an obligation to obtain a license from the competent

state body – the Ministry of Youth and Sports. Together with the acquisition of a sports license, the respective sports organisation receives certain powers in the field of the development of the sports activity, listed in art. 27 of the Physical Education and Sports Act. The Ministry of Youth and Sports does not interfere in the management of sports organisations, and their financing from the state budget is carried out on a programme-project basis. However, federations are required to comply with legal provisions, but they are also relatively autonomous. They determine their regulatory requirements and they decide which internal documents to create and approve for implementation. Most of them create regulatory documents for management based on the requirements of the international sports federation and the requirements of the Ministry of Youth and Sports for a license or certain funding programmes.

The federations are trying to improve their governance and gradually be able to meet European governance requirements. One way to improve their governance is to increase the requirements in relation to the principles of good governance – for example, by making various regulations mandatory when receiving licenses or financing from the state authorities. It is a fact that federations work relatively well on some of the principles, but this is not reflected in their regulatory documents and thus stakeholders are not sufficiently informed and involved.

## Methods

According to the standardised methodology of the NSGO, eight Bulgarian federations were selected. The sample consists of five mandatory federations responsible for athletics, football, handball, swimming, and tennis and three additional federations offered at the national level (volleyball, rhythmic gymnastics, and boxing).

The additional federations were selected on the suggestion of the Ministry of Youth and Sports, which helped the researchers in the implementation of the project, and they represent sports that are well developed in Bulgaria with roots in the country's sports history and the achievement of excellent sporting results. Also, these sports are very popular in Bulgaria and among the most practised sports for teenagers. The additional federations were selected in order to monitor, analyse and improve the governance of these federations, which will indirectly contribute to new reasons for national pride and help develop the sports.

The Bulgarian Football Union is the only large federation (more than 30 employees), the Bulgarian Volleyball Federation is a medium-sized federation (10-30 employees), and the other six are small federations (less than 10 employees).

The data collection process was conducted in accordance with the standardised NSGO procedure (Geeraert, 2017). The first phase (selection and contact) and the second phase (data collection and preliminary results) took place in January-February 2020. The Ministry of Youth and Sports supported the communication and commitment of the federations. The project is staffed by a team composed of a project manager, a financial expert and a researcher responsible for collecting and completing data and processing the preliminary results. The initial results were sent to the federations at the end of January and the beginning of February 2020 after the research was conducted by the researcher (third phase). In this phase, several interviews were conducted with representatives of the federations. Some of the federations needed additional time to provide the missing data. The fourth phase covered the period from February to May 2020. The researcher conducted the second evaluation based on the answers received. The fifth phase took place in April-May 2020. The federations received the results, which were discussed in a second interview. Phase six – conducting the final evaluation and informing the federations – concluded the research process. Table 2 gives an overview of the federations that participated in the NSGO benchmarking project.

**Table 2: Sport, official name, official acronym**

<b>Sport</b>	<b>Official Name</b>	<b>Official Acronym</b>
Athletics	Bulgarian Athletics Federation	BAF
Swimming	Bulgarian Swimming Federation	BSF
Rhythmic Gymnastics	Bulgarian Rhythmic Gymnastics Federation	BRGF
Volleyball	Bulgarian Volleyball Federation	BVF
Boxing	Bulgarian Boxing Federation	BBF
Handball	Bulgarian Handball Federation	BHF
Tennis	Bulgarian Tennis Federation	BTF
Football	Bulgarian Football Union	BFU

## Results

The average score on the NSGO index for the eight Bulgarian sports federations is 41%, which is described as 'moderate'. The Bulgarian federations received the highest average score of 48% on the transparency dimension, while the score on the democratic processes dimension was 41%, and the score on the internal accountability and control dimension was 43%. The social responsibility dimension achieved the lowest score of all the dimensions of 31%, which is defined as a 'weak' score.

### Dimension 1: Transparency

According to Article 27 paragraph 4 of the new Physical Education and Sports Act, sports federations must create and maintain a website to promote their activities within three months of receiving the sports license. This is crucial for respecting one of the most important principles of good governance – transparency. There are certain requirements for posting adopted acts on the websites depending on the federation. Due to the change in the law and the mandatory re-licensing of the federations in the last year, transparency has not yet been fully achieved. Not all federations have yet published their statutes, internal regulations, rules, sports rules, and other documents on their website. There is a one-year grace period in which this must be met, which will lead to improved transparency.

According to the Bulgarian legislation, the sports federations are obliged to submit their annual financial report and activity report to the Registry Agency, where these reports are published in the register of non-profit legal entities every year. In the same register information regarding the current situation, the members of the managing board, and the statutes is public.

The overall score on the transparency dimension for the Bulgarian federations is 48%, which is labelled as a 'moderate' score. The top national sports federation scored 70%, while the lowest-scoring national sports federation scored 27%. This equals a spread of 43 percentage points, which is the second-largest spread amongst the four dimensions. Below, the average scores of the eight Bulgarian national sport organisations are shown:

**Table 3: Transparency – average scores per principle**

Principle Number	Principle	Average Score
1	The organisation publishes its statutes/constitution, international regulations, organisation chart, sports rules and multi-annual policy plan on its website.	75%
2	The organisation publishes the agenda and minutes of its general assembly meeting on its website.	63%
3	The organisation publishes board decisions on its website.	28%
4	The organisation publishes information about its board members on its website.	46%
5	The organisation publishes information about its members (athletes and clubs) on its website.	46%
6	The organisation publishes an annual report, including financial statements, on its website.	58%
7	The organisation publishes regulations and reports on the remuneration, including compensation and bonuses, of its board members on its website.	22%

The Bulgarian national sports federations achieved an average of ‘good’ (75%) on principle 1, asking whether “the organisations publish their statutes/constitutions, internal regulations, organisation charts, sports rules, and multi-annual policy plans on their websites. In particular, the Bulgarian sports federations scored 88% (‘very good’) on indicator 1.1, which asks about the publication of the federations’ statutes on their websites. Furthermore, the federations achieved an average of 75% (‘good’) on indicator 1.3 related to the publication of their internal regulations on their websites. The sports rules for all federations (indicator 1.5) are available on their websites and received the maximum score (100%). The federations achieved 43% or ‘moderate’ on indicator 1.7 regarding the publishing of their multi-year plans for development policies, strategies and programmes on their websites. According to the Physical Education and Sports Act, when submitting documents for licensing, sports federations are required to have a four-year programme for the development of the respective sport that is in accordance with the national programme. Regarding the financing of high-performance sports, the requirement is to have a programme for the next four years. The organisations surveyed scored 57% or ‘moderate’ on indicator 1.8 regarding the distribution of their multi-annual programmes to their internal stakeholders via email or a secure section of their websites.

The national sports federations also scored an average of “good” (63%) on principle 2, asking whether “the organisations publish the agenda and the minutes of their general assembly meetings on their websites.” The score for publishing the agenda of the general assembly on their websites (indicator 2.1.) is 63% or ‘good’. The statutes do not always include a requirement for publication on the official website. The requirements are usually for the publication of an invitation with an agenda in a state newspaper, a national daily newspaper or in a visible place at the address of registration. The Law on Non-Profit Legal Entities allows, if the requirement is not explicitly mentioned in the statutes, that the invitation can be published on the public website of the Registry Agency. The national sports federations achieved the maximum score of 100% on indicator 2.3, which refers to providing the

invitation to the general assembly to their members by email. After the general assembly, a protocol is prepared, which in most of the federations contains a summary of the discussions and ballots (score of 88% or 'very good' on indicator 2.7). The federations' score for publishing this protocol on their website, however, is 25% or 'weak', which does not give transparency and publicity to the holding of the general assembly, its discussions and decisions made (indicator 2.5).

According to the results obtained in Bulgaria there is no practice of publishing public versions of the minutes of the governing boards of the federations on their websites. The score for principle 3 is 28%. Indicator 3.3 shows that the federations' score for providing these protocols to their members by email is 50% or 'moderate' - the federations declare that they could provide them upon request.

The national sports federations achieved an average of 46% on principle 4 regarding the publication of information about board members on their websites. Regarding the publication of the names of the members of the management board on their official websites (indicator 4.1) and the provision of e-mail addresses for contact with members of the management board (indicator 4.6), the federations achieved an average of 88%. On the contrary, indicator 4.3, which is concerned with the publication of the duration and number of previous mandates on their websites, the federations achieved a 'not fulfilled' score of 13%. The score of posting biographical information about the federations' board members (indicator 4.4) is 38% or 'weak'.

It is interesting that not all of the federations post information about their members (clubs, athletes) on their websites. The score for the relevant principle 5 is 46%. In more detail, the score on indicator 5.1 regarding the publication of basic information about affiliated clubs is 63% and 50% on indicator 5.2 regarding the publication of the number of affiliated clubs on their websites. The fulfilment of indicator 5.3 is 25 %, which means that only a minority of the federations publish information about athletes on their websites.

The practice in Bulgaria shows room for improvement regarding the annual reporting of the sports federations, which is reflected in a 'moderate' score of 58% for principle 6. More specifically, the score for indicator 6.3 is 'not fulfilled' at 13% about posting on their websites the annual reports for the last three years. The legislation of Bulgaria sets requirements for the federations to publish their annual reports on the website of the Registry Agency. In terms of their content, there are regulatory requirements for what to include in the annual reports (indicator 6.4) and there are provided samples of financial statements (indicator 6.6) and therefore 100% of the federations comply with them. However, nowhere in the annual reports is an anonymised review of conflicts of interest (indicator 6.6, 0%) required.

In Bulgaria, members of the management board do not receive payment for their work as members of the board. Therefore, the results for principle 7 are 'weak' with a score of 22%. For example, almost no federation has publicly announced a policy for determining the remuneration of the management board (score 13% for indicator 7.2).

## Dimension 2: Democratic processes

The overall score on the democratic processes dimension is 41%, which gives a ‘moderate’ assessment in terms of democracy. The top national sports federation scored 58%, while the lowest-scoring national federation scored 26%. This created a spread of 32 percentage points, the lowest spread amongst the four dimensions. Below, the average scores of the eight Bulgarian national sports federations are shown:

**Table 4: Democratic processes – average scores per principle**

Principle Number	Principle	Average Score
8	Board members are democratically (re-)appointed according to clear procedures.	81%
9	The organisation takes steps to achieve a differentiated and balanced composition of its board.	41%
10	The organisation has a nomination committee.	31%
11	The organisation establishes a quorum (a minimum number of attendees required to conduct business and to cast votes) in its statutes or internal regulations for the board and the general assembly.	75%
12	The organisation has established term limits as well as a retirement schedule.	0%
13	The general assembly represents all affiliated members and meets at least once a year.	72%
14	The board meets regularly.	65%
15	The organisation ensures the participation of athletes in its policy processes.	9%
16	The organisation ensures the participation of referees in its policy processes.	66%
17	The organisation ensures the participation of coaches in its policy processes.	75%
18	The organisation ensures the participation of volunteers in its policy processes.	0%
19	The organisation ensures the participation of employees in its policy processes.	16%
20	The organisation implements a gender equality policy.	0%

Most federations’ statutes clearly state the rules for conducting elections and strictly follow them, which is reflected in a ‘very good’ score of 81% for principle 8. For example, in all national sports federations, only one authorised representative of the sports club has the right to vote, and by law the members of sports federations can be only sports clubs.

The score of the federations is 31% or ‘weak’ for principal 10 about the requirement to appoint a commission for the nomination of candidates of board members. The low principle score results from ‘weak’ to ‘not fulfilled’ scores for the principle indicators, for example related to the duties and powers of this committee (indicators 10.4-10.6).

In all federations the rules of procedure for the board and the general assembly are clearly defined, which is reflected in the ‘good’ assessment of 75% for principle 11. Interestingly, the score about setting a board quorum of at least 75% (indicator 11.3) is 0% or ‘not fulfilled’.

None of the federations has a set term limit for the board and an applicable retirement schedule for members, which is a mechanism to avoid the concentration of power in the hands of the same people for a long period of time. The corresponding score for principle 12 is 'not fulfilled' at 0%.

All federations surveyed have representatives of all their members in the general assembly (indicator 13.1, 100%), as well as the opportunity to convene an extraordinary general assembly (indicator 13.3, 100%). However, none of them provides for the possibility of remote voting (indicator 13.4, 0%). The score for an annual meeting of the general assembly (indicator 13.2) is 88 % or 'very good'. From the indicator scores, there results an overall 'good' score for principle 13.

The norms for determining the work process of the management board are 'moderately' indicated with a score of 65% for principle 14. In more detail, the score for indicator 14.1 is 88% or 'very good', which suggests that the management boards of almost all surveyed federations have met at least five times in the last year. It is characteristic that the schedule is not determined in advance for a certain period of time (indicator 14.2, 25%). In practice, meetings are scheduled with the appearance of issues to be resolved during the year. This usually happens at least once a month or every two months.

In order to achieve democracy in decision-making and governance, representatives of different stakeholders should be involved in the governance processes, but the Bulgarian federations do not have written policies and specific actions for involving athletes (principle 15, 9%), volunteers (principle 18, 0%), and employees (principle 19, 16%) in these processes. Managers usually listen to their opinions, but this is not stated in the official documents. There is no law on volunteering in Bulgaria, but it is being worked on. Staff, athletes, and volunteers are not formally represented by an advisory body, which could be changed so that they can formally express an opinion to be considered in the decisions.

In all national sports federations surveyed, referees and coaches are officially represented by an advisory body (scores for indicators 16.2 and 17.2 is 100% or 'very good'), and the score of determining it by official documents is 50% or 'moderate'. These bodies usually have clear rules and certain powers, as well as numerous additional documents related to the specifics of their activities.

In conducting interviews with the contact persons, it turned out that for the federations, gender equality is not a topic that is being worked on and that they consider a priority. All of them said that they do not pursue a discriminatory policy in this direction, but the pursuit of equality is not noted in their documents. A score of 0% for principle 20 shows that none of the federations implements a gender equality policy.

### **Dimension 3: Internal accountability and control**

The assessment in terms of internal accountability and control is also 'moderate' (43%). The top national sports federation scored 73%, while the lowest-scoring national federation scored 18%. This created a spread of 55 points, the largest spread amongst the four

dimensions. Below, the average scores of the eight Canadian national sport organisations are shown:

**Table 5: Internal accountability and control – average scores per principle**

Principle Number	Principle	Average Score
21	The general assembly supervises the board appropriately.	55%
22	The board establishes procedures regarding the premature resignation of board members.	21%
23	The organisation defines in its statutes those circumstances in which, due to a serious conflict of interest, a person is ineligible to serve as a member of the board.	19%
24	The organisation applies a clear governance structure according to the principle of separation of powers.	71%
25	The board supervises management appropriately.	44%
26	The organisation has an internal financial or audit committee.	0%
27	The organisation implements a financial control system.	34%
28	The board annually evaluates its own composition and performance.	25%
29	The organisation's finances are externally audited by an independent auditor.	63%
30	The organisation has or recognises a code of conduct applicable to the members of the board, management and personnel.	29%
31	The board establishes clear conflicts of interest procedures that apply to the members of the board.	31%
32	The board establishes procedures for the processing of complaints in the internal regulations.	54%
33	The organisation's decisions can be contested through internal or external mechanisms.	69%
34	The board adopts an annual meeting schedule.	52%

The national sports federations achieved a 'moderate' score of 55% for principle 21 regarding the supervision of the board by the general assembly. In more detail, the fulfilment of indicator 21.1 that says that the general assembly approves the multi-annual strategic plan is 75% which is 'good'. The score of including goals and planned actions in this plan (indicator 21.3) is 75% or 'good' as well. This is usually listed as an obligation of the general assembly in the statutes of the federation. Government funding represent the core source of funds for most of the federations surveyed. For this reason, long-term financial planning cannot be done for them, because it depends on the budget set by the Ministry of Youth and Sports and the revenues from the Sports Tote. The money for the federations is distributed to certain programmes that have different requirements. For this reason, indicator 21.2 has achieved a 'not fulfilled' score of 13%. The approval of the annual development plan (indicator 21.7, 63%), the financial report (indicator 21.8, 88%) and the annual budget (indicator 21.9, 88%) is usually imposed as an obligation of the general assembly by the statutes. Therefore, most federations implement it.

The score for principle 22 regarding the procedures regarding the premature resignation of board members achieved a 'weak' score of 21%. In particular, the federations only to a

limited extent define internal rules that set clear common procedures for early withdrawal (indicator 22.1, 38% or 'weak'), which definitely raises questions about what will happen in the event of such a situation. A low score of 13% was also determined in terms of premature resignation from the management board due to unethical behaviour, conflicts of interest and non-performance of functions. This shows the lack of possibility to sanction the members of the management board.

In addition, the regulation of conflicts of interest in the composition of the board does not appear to be a priority of the national sports federations. With a score of 19%, they did 'not fulfil' principle 23, which relates to the definition of those circumstances in their statutes, in which a person is ineligible to serve on the board due to a conflict of interest. In this context, the lowest score was achieved on indicator 23.2 (0%), which relates to limiting the possibility of a member of the board to be employed by a company with which the federation has trade relations. Only one of the federations admits that it has no active politician as a member of the board (indicator 23.6, 13%).

On the other hand, the statutes of the federations are relatively specific on some issues related to key positions, tasks and powers of the management and the standing committees. Therefore, the overall assessment for principle 25 is 'moderate' at a score of 44%. Indicator 25.1 even scores 'very good' (88%) on the issue of the delineation of responsibilities and competencies that are delegated to management, whereas the score of 50% or 'moderate' was achieved for indicator 25.6 regarding the evaluation of the activities of management in the last 12 months.

The federations were evaluated with 34% or 'weak' about their implementation of a financial control system (principle 27). For example, the score for indicator 27.1 which asks whether a rule exists that payments must be signed by at least two persons, is 25% or 'weak'. The same score was calculated for indicator 27.7, which determines if the federations have set out in a document a certain financial threshold with external parties. A score of 50% or 'moderate' was calculated for indicator 27.3, which asks whether a person is not allowed to initiate and approve payments. Most federations have only a few employees, and for this reason only a part of them (indicator 27.4, 50%) imposes a rule restricting the receipt, sending, and depositing of funds by the same person.

In none of the federations was the work of the board evaluated with the help of an external expert (indicator 28.2, 0%). This shows the reluctance of the federations to allow external control of their activities. The overall score for principal 28 regarding an annual evaluation of board performance is 25% or 'weak'.

The financial activities of the sports federations are carried out in compliance with the requirements of the Accounting Act and relevant accounting standards. The overall score for principle 29, which relates to the external auditing of the organisations' finances by an independent auditor, achieves a 'good' score of 63%. As an example on the level of indicators, the score on indicator 29.1 referring to the obligation to conduct an independent audit in the last 5 years is 75 % or 'good'.

Most of the federations have not adopted codes of conduct, which is reflected in a 'weak' score for principle 30. In more detail, the score for indicator 30.1 which asks for the presence of a code of conduct applicable to board members is 25% or 'weak'.

The national sports federations surveyed achieved an average of 38 % or 'weak' on indicator 31.1 that determines if they have established procedures regarding conflicts of interest. Bulgaria has an effective Law on Prevention and Conflict of Interest. This law sets out the rules for preventing and establishing a conflict of interest of a person holding public office. Federations are required to comply with the law but have not provided for these procedures to be described in the documents, which is reflected in an overall score for principle 31 of 31% or 'weak'.

Regarding the filing of complaints against violations of the rules of conduct, the score for the relevant principle 32 is 54% or 'moderate'. Regarding the procedures allowing the appeal of a sports sanction (principle 33) the relevant score achieved an average of 69% or 'good'.

The score for principle 34, which asks whether the federations' boards adopt an annual meeting schedule is 52% or 'moderate'. Indicator 34.1, which asks whether federations have a document outlining the annual schedule of the board meetings, scores at 63% ('good'). In all sports federations, the statutes contain the powers and obligations of the board, which clearly state how many times a year they are required to meet at least. Usually, the board meets more often than is expected from them.

#### **Dimension 4: Societal responsibility**

The national sports federations surveyed have the lowest score in terms of societal responsibility. The overall score is 31%, which is a 'weak' result and shows that the federations must work purposefully in this direction. In fact, the work of most federations is socially responsible, but unfortunately very few of the steps taken and methods of work are described in strategic documents of the federations. There are usually no announced contact persons with whom those interested can consult. The top national federation scored 51%, while the lowest-scoring national federation scored 12%. This created a spread of 39 points, the second-lowest spread amongst the four dimensions. Below, the average scores of the eight Bulgarian national sports federations are shown:

**Table 6: Societal responsibility – average scores per principle**

Principle Number	Principle	Average Score
35	The organisation offers consulting to its member organisations in the areas of management or governance.	29%
36	The organisation implements a policy aimed at mitigating the health risks of sporting activities.	26%
37	The organisation implements a policy on combating sexual harassment in sport.	12%
38	The organisation implements an anti-doping policy.	88%
39	The organisation implements a policy on social inclusion through sport.	13%
40	The organisation implements a policy combating discrimination in sport.	11%
41	The organisation implements a policy to promote gender equality in sport.	2%
42	The organisation implements a policy to combat match-fixing.	19%
43	The organisation implements a policy for the promotion of environmental sustainability.	9%
44	The organisation implements a policy on promoting the dual career of athletes.	15%
45	The organisation implements a policy on promoting sport for all.	59%
46	The organisation ensures the fair treatment of professional athletes.	88%

The federations scored 29% or ‘weak’ on principle 35 regarding the support of their member organisations with the transfer of knowledge, advice, and consultations in the areas of management or governance.

None of the federations has a written policy to mitigate health risks (indicator 36.1, 0%). The score of 38% or ‘weak’ was reached for indicator 36.3 regarding raising awareness, prevention, or mitigation of these risks. The overall score for principle 36 is 26% or ‘weak’.

None of the federations has a policy in place for combating sexual harassment in sports (indicator 37.1, 0%). There is also no federation that takes action to raise awareness of sexual harassment, cooperates with another organisation on the subject, establishes procedures for handling complaints related to this, and conducts self-assessments, which results in an overall ‘not fulfilled’ score of 12% for principle 37.

The Anti-Doping Centre is a specialised body for the implementation of the anti-doping policy in Bulgaria. The mission of the Anti-Doping Centre is to fulfil the commitments the country entered into by signing the Council of Europe Convention against Doping, the Additional Protocol thereto, the UNESCO International Convention against Doping in Sport, as well as the World Anti-Doping Code and international standards to it. All national athletes and coaches receive training at the Anti-Doping Centre and comply with all requirements (indicator 38.5, 100%). Having no requirement to perform a self-assessment in a written document on various issues, the federations do not set it as their obligation and responsibility and only fulfil it partly (indicator 38.7, 38%). The overall score for principle 38 is 88%, which is labelled as ‘very good’.

The national sports federations surveyed achieved a score of only 13%, which corresponds to a 'not fulfilled' assessment for principle 39 regarding social inclusion in sports. In more detail, the score for indicator 39.1 regarding a written policy for the inclusion of vulnerable groups is 13% or 'not fulfilled'. Regarding the cooperation with other organisations on the subject (indicator 39.4), having a contact person (indicator 39.2) and exchanging good practices (indicator 39.3), the federations' score is 50% or 'moderate'. In fact, in recent years social inclusion has been widely addressed in all areas, including sports. Numerous programmes are being worked on that raise awareness and improve outcomes related to social inclusion. The Ministry of Youth and Sports finances sports activities under the programmes 'Sports for Children at Risk' and 'Programme for the Development of Sports for People with Disabilities'.

The federations' score on principle 40, which asks for a policy combating discrimination in sports, is at only 11%, which is labelled as 'not fulfilled'. In the interviews, some representatives of the federations stated that discrimination is not a problem for them and in fact there is no discrimination. However, the indicator scores for implementing written policies and undertaking actions in this area do not reflect these statements.

No specialised study has been conducted on gender equality in sports in Bulgaria. We rely on the results of the 'All In - Towards Gender Balance in Sport' project to identify possible problems in this area. The NSGO benchmarking helps us to outline the problems in the management of this topic. None of the federations has a policy, provides educational materials, has a contact person, and cooperates with other organisations. This issue must be worked on purposefully and a regulated equality policy must be developed. The overall score for principle 41 is at only 2%, which corresponds to a 'not fulfilled' label.

Combating match-fixing is also a relevant issue for national sports federations. However, the federations achieved a score of only 19% or 'not fulfilled' for the respective principle 42. Half of the federations established that there is a contact person for issues related to match-fixing (indicator 42.2). The score for indicator 42.4 regarding a ban for people associated with the federations to bet if they can influence sporting results is 38% or 'weak'.

The federations are taking almost no steps to improve environmental sustainability, which is a growing concern for the wider society. The score for principle 43 is 'not fulfilled' at 19%.

An average of 15% or 'not fulfilled' was achieved for principle 44, which covers the availability of policies aimed at developing a dual career for athletes. A score of 50% for indicator 44.3 shows that some federations engage in the exchange of good practices. Policies aimed at the dual career of athletes in Bulgaria are related to creating conditions for study or work, while maintaining the level of training of the athlete and encouraging the start of a new career after the end of the sports career. In Bulgaria, young athletes are trained in sports schools, whose main goal is to provide conditions for a quality selection of children with sports talent, opportunities for sports development, creating conditions for a dual career and a motivating environment for professional and personal realisation of students.

These schools are the responsibility of the state, not the federations. Federations try in various ways to support the dual careers of their athletes after graduation, but do not describe or regulate this in documents.

The federations have been evaluated with a 'moderate' score of 59% for principle 45 regarding policies, which aim to promote sports for all within the sports movement. There are many sports programmes for everyone, which is a prerequisite for quality selection. This is clearly understood by the federations, and they have traditions in the development of sports for all. It also aims to improve the nation's physical and mental health and is just as important as achieving sporting excellence.

The overall score for principle 46 regarding the fair treatment of professional athletes is at a 'very good' level of 88%. All national sports federations apply the legal minimum requirements in the contracts for athletes (indicator 46.1, 100%). However, with regards to a standard minimum wage in these contracts a 'moderate' score of 50% was determined (indicator 46.2). This is because the funding is mostly governmental and it is not possible to predict what budget the federations will have.

## Discussion and policy implications

The average NSGO index score of the surveyed Bulgarian sports federations is 41%, which is defined as 'moderate'. The deviation from the average value is largest with regard to the principle of societal responsibility, which has a value of 31% and thereby defined as 'weak'. The principles for internal accountability and control have a value of 43%, democratic processes has a value of 41%, and the highest value is transparency with 48%.

Until the entry into force of the new Physical Education and Sports Act in early 2019, there were no requirements for the availability of a website for the federations. But the new law stipulates that within three months of receiving a sports license, the sports federation creates and maintains a website to promote its activities. This is a basic prerequisite for increasing transparency of national sports federations.

Some federations still do not have a clear vision for publishing information. They do not realise that publicity supports the development of sports. Transparency supports internal and external control and attracts sponsors, which improves governance. Most federations do not publish reports on their activities, minutes of meetings of the board or the general assembly on their websites, and internal rules for the work of the board and internal commissions. Statutes, regulations, sports rules and the names of the members of the management board are most often published.

It is a legal requirement that the annual reports, statutes and current information about the federations are posted on the website of the Registry Agency, where the register is publicly available. This helps to improve transparency and access to information for outsiders if it is not posted on the federation's website. The recommendation is to find a way to set requirements for the federations for mandatory publication of basic documents for their management.

In terms of democratic processes in governance, we have a 'moderate' assessment. All member clubs of a federation appoint one representative to be a participant in the general assembly and to participate in management decisions. This is extremely important for democracy, because all clubs have their own representative and can express their opinion.

The statutes are the most important internal organisational document. In principle, the statutes of the federations are detailed and precisely define the procedures for election of the management board, powers and obligations of the main governing bodies and the structure of the federations. Usually, the required profile of the members of the management board is not determined and the candidates are not nominated by a commission, but by members of the general assembly. In all federations, the statutes set a quorum for the meetings and the right to make decisions by the general assembly and the board.

The mandate of the members of the management board and the chairperson turns out to be a weak link. No federation has limits on the number of mandates of its leadership, which is a prerequisite for self-government. Most of the federations in Bulgaria have long-term

permanent management, which may not be due to good work, but to getting involved in the structures and creating a lobby.

All management boards meet more than five times a year, even if this is not enshrined in some of the statutes. Usually, there is no preliminary schedule for the meetings, but it is convened if necessary in view of current work tasks.

Federations have not considered gender equality in decision-making processes and described them in a document. Everyone acknowledges that there is no discriminatory policy, but this is not documented. The reality in Bulgaria is in favour of men in the management of sports. Most federations have structures and internal documents related to the work of referees and coaches, so they are more involved in management decisions. Athletes and volunteers are not officially represented in the federation's management but are unofficially consulted.

The requirements of the Physical Education and Sports Act and most of the funding programmes are for the federations to submit a four-year plan. Longer planning is not required of federations, and most do not have a clear strategy for development over time. The methodology of their financing with targeted funds from the Ministry of Youth and Sports and the Sports Tote that is carried out for each year without multi-year planning based on the requirements and conditions of programmes, also has an impact. In all of them, the general assembly approves the report each year for the transitional year and the budget for the current year.

On the issue of conflict of interest there is no established policy in the documents of the federations - they are obliged to comply with the law. In most federations there is no real control over trade relations with organisations associated with members of the board. The way to counteract this is to require the publication of detailed reports so that internal stakeholders can monitor and respond to abuses. Federations do not publish detailed information on remuneration. They also do not have a code of conduct, but instead have disciplinary rules for complaint procedures.

Societal responsibility is the weak link in the assessment, which federations must work to address. Federations usually take care of their members, but there is no consistent policy in this direction. They are the strictest in their anti-doping policy and comply with all regulations. They do not have a policy on environmental sustainability, like in the fight against match-fixing, with a few exceptions.

Good governance in Bulgarian sport has a solid foundation that needs to be worked on and developed. In recent years, research and training on the topic was conducted by the Association for the Development of Bulgarian Sports ([https://www.eusport.org/goodgovernance/GGS\\_outputs](https://www.eusport.org/goodgovernance/GGS_outputs)). The results obtained coincide with the results of the present study and show the actual situation in the country, the trends and directions that need to be worked on. Since we have described the system as 'bureaucratic', it is assumed that the easiest way to improve the governance of federations is by increasing the requirements for the

principles of good governance by the state. In this way, the federations will retain their autonomy, but by increasing their level of transparency, democracy, accountability, and societal responsibility, they will improve their governance.

## References

Bulgarian National Corporate Governance Code, October 2007

Germanova R., 2008, Corporate Social Responsibility as Corporate Governance Tool: The practice by the business in Bulgaria, Bulgarian Academy of Science / research/ -2011

Hardi P., Buti K., 2012, "Corporate governance variables: lessons from a holistic approach to Eastern-European practice", Corporate Governance, 12(1)

Report of the consultative visit in Bulgaria on the European Sports Charter 2019

<http://mpes.government.bg/>

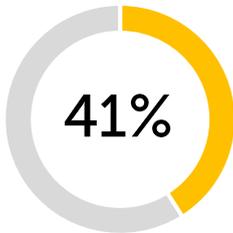
# NATIONAL SPORTS GOVERNANCE OBSERVER

## COUNTRY REPORT: CANADA

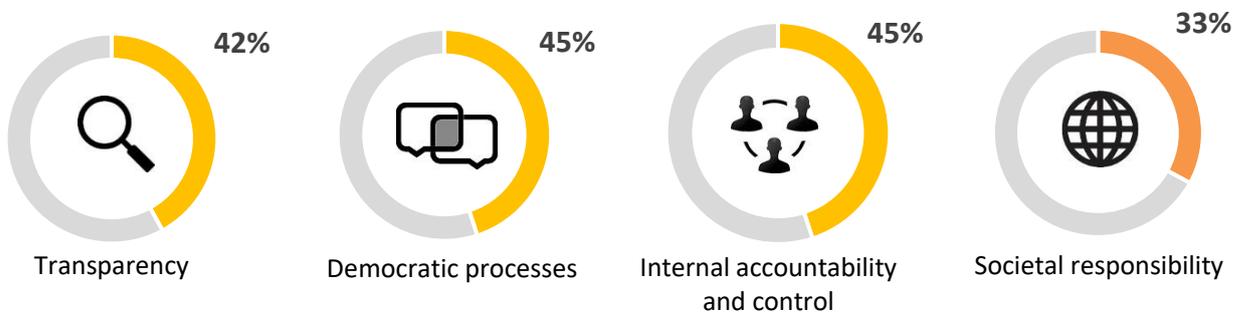
## Key results: Canada

Figures 1, 2, and 3 show Canada’s main NSGO scores. Table 1 summarises the surveyed federations’ principle scores by showing their corresponding labels.

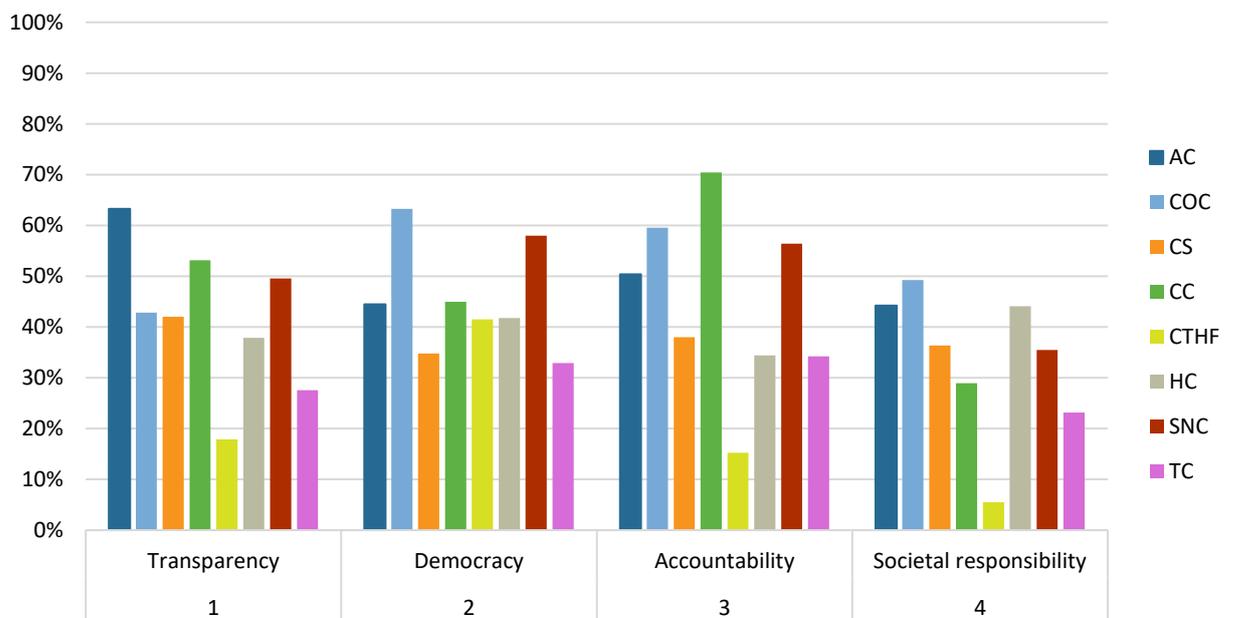
**Figure 1: Canada’s overall NSGO index score**



**Figure 2: Canada’s scores on the four NSGO dimensions**



**Figure 3: The surveyed Canadian sports federations’ scores on the four NSGO dimensions**



See table 2 for the federations’ full names.

**Table 1: The surveyed Canadian federations' scores on the 46 NSGO principles**

	Principle	AC	COC	CS	CC	CTHF	HC	SNC	TC
Transparency	1. Legal and policy documents	Green	Green	Green	Green	Orange	Light Green	Green	Yellow
	2. General assembly	Green	Yellow	Red	Yellow	Red	Red	Yellow	Red
	3. Board decisions	Green	Red						
	4. Board members	Orange	Yellow	Light Green	Light Green	Orange	Yellow	Orange	Yellow
	5. Athletes and clubs	Green	White	Light Green	Light Green	Light Green	Green	Green	Orange
	6. Annual report	Red	Light Green	Light Green	Light Green	Red	Yellow	Light Green	Light Green
	7. Remuneration	Red	Red	Red	Orange	Red	Red	Orange	Red
Democratic processes	8. Elections of board members	Light Green	Yellow	Green	Light Green	Green	Green	Light Green	Yellow
	9. Policy for differentiated board	Red	Yellow	Red	Red	Orange	Red	Yellow	Red
	10. Nomination committee	Green	Green	Yellow	Red	Yellow	Green	Light Green	Green
	11. Quorums	Yellow	Yellow	Light Green					
	12. Term limits	Yellow	Green	Yellow	Green	Red	Yellow	Yellow	Yellow
	13. Member representation	Green	Green	Light Green	Light Green	Green	Green	Green	Green
	14. Regular board meetings	Orange	Green	Light Green	Light Green	Yellow	Light Green	Orange	Orange
	15. Athletes' participation	Yellow	Light Green	Orange	Light Green	Red	Orange	Light Green	Red
	16. Referees' participation	Orange	White	Red	Orange	Yellow	Yellow	Light Green	Yellow
	17. Coaches' participation	Yellow	Yellow	Red	Yellow	Red	Red	Orange	Red
	18. Volunteers' participation	Red	Red	Red	Red	Red	Red	Orange	Red
	19. Employees' participation	Orange	Orange	Red	Orange	Red	Red	Green	Red
	20. Gender equality policy	Yellow	Green	Red	Yellow	Green	Red	Red	Red
Internal accountability and control	21. Supervision of board	Red	Red	Orange	Orange	Red	Orange	Yellow	Yellow
	22. Board resignation procedures	Yellow	Light Green	Light Green	Green	Yellow	Light Green	Green	Yellow
	23. Board eligibility rules	Green	Yellow	Green	Yellow	Red	Orange	Orange	Orange
	24. Clear governance structure	Green	Green	Yellow	Green	Orange	Green	Green	Light Green
	25. Supervision of management	Red	Light Green	Red	Light Green	Red	Orange	Green	Yellow
	26. Audit committee	Light Green	White	Red	Yellow	White	Green	White	Yellow
	27. Financial controls	Red	Green	Red	Yellow	Orange	Red	Orange	Red
	28. Board self-evaluation	Orange	Red	Red	Green	Red	Red	Red	Red
	29. External audit	Orange	Light Green	Orange	Orange	Red	Orange	Orange	Orange
	30. Code of conduct	Green	Light Green	Light Green	Green	Red	Orange	Green	Red
	31. Conflict of interest procedures	Yellow	Light Green	Yellow	Light Green	Yellow	Light Green	Yellow	Yellow
	32. Complaint procedure	Green	Green	Green	Green	Red	Red	Light Green	Yellow
	33. Appeal procedure	Green	Orange	Yellow	Light Green	Red	Orange	Green	Light Green
	34. Board meeting schedule	Red	Light Green	Red	Green	Red	Red	Red	Red
Societal responsibility	35. Governance consulting	Yellow	Green	Yellow	Yellow	Red	Orange	Red	Red
	36. Mitigating health risks	Light Green	Yellow	Yellow	Yellow	Red	Yellow	Light Green	Orange
	37. Combating sexual harassment	Green	Green	Light Green	Light Green	Red	Yellow	Green	Yellow
	38. Anti-doping	Yellow	Green	Orange	Orange	Orange	Green	Light Green	Orange
	39. Social inclusion	Yellow	Green	Yellow	Light Green	Red	Green	Yellow	Yellow
	40. Anti-discrimination	Green	Light Green	Light Green	Light Green	Red	Light Green	Green	Red
	41. Gender equality	Light Green	Red	Orange	Red	Red	Orange	Orange	Red
	42. Anti-match-fixing	Red	Red	Orange	Orange	Red	Red	Red	Red
	43. Environmental sustainability	Red							
	44. Dual careers	Red	Red	Red	Red	Red	Yellow	Red	Orange
	45. Sport for all	Yellow	Yellow	Light Green	Orange	Orange	Yellow	Red	Orange
	46. Athletes' rights	Red	White	Orange	Red	Red	Red	Yellow	Red

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

By Ryan Gauthier<sup>11</sup>

## Overview

This report provides benchmark scores regarding good governance for eight Canadian national sport organisations. These organisations are the Canadian Olympic Committee, and the national sports organisations that oversee athletics, curling, football (soccer), handball, ice hockey, swimming, and tennis. The data was gathered from January 2019 to April 2020.

The average NSGO index score of the eight Canadian sports organisations is 41%, which constitutes a ‘moderate’ score. The data reveals that the organisations generally score well on some particular indicators but could significantly improve in others. The data also reveals that some organisations have significantly higher overall scores than others.

Canadian national sports organisations are aware of the need for good governance. Recent years have seen an increasing professionalisation of management of sport organisations. Federal legislation and policies implemented by the Canadian government’s department for sport, Sport Canada, have a governance focus. This report suggests that there is room for continual improvement. In particular, a more active role for Sport Canada, a refinement of policies such as the Sport Funding and Accountability Framework, and legislation, should be considered.

This report will proceed in four additional parts. Part 2 will discuss the context of governance in Canada and the Canadian sport system. It will also discuss, generally, legislation and policies that affect sport governance in Canada. Part 3 will set out the methodology used to gather the data. Part 4 will discuss the results for each good governance dimension (transparency, democratic process, internal accountability and control, and societal responsibility). Part 5 will provide a discussion of the results and present some observations for follow-up.

---

<sup>11</sup> PhD, Associate Professor, Thompson Rivers University, Kamloops

## Context: Governance culture and the Canadian sports system

### Corporate governance culture

Like much of Canada's political and legal culture, Canada's governance culture owes much to its inheritance from the United Kingdom and influence by the United States (MacDougall & Valley, 2019, p. 48). Canada's federal structure allows both the federal and provincial governments to influence governance as corporations in Canada can incorporate through either federal or provincial authorities (MacDougall & Valley, 2019, p. 48). The federal and provincial governments are seeking to cooperate more closely in this area. One example of this cooperation is through the creation of the Cooperative Capital Markets Regulatory System in the 2010s.

There is no 'corporate governance code' in Canadian corporate legislation (Ortved & Wong, 2019). Instead, federal and provincial corporate statutes are augmented by securities law and policies, and by rules set by the Toronto Stock Exchange. However, the federal government is not absent. For example, the *Canada Business Corporations Act* now requires directors of a corporation to report to shareholders on "diversity among the directors and among the *members of senior management*." (s. 172.1(1), emphasis in original). Corporate social responsibility matters are generally advanced by stakeholders and organisations such as the Canadian Coalition for Good Governance and are influenced by the common law's requirements of a duty of loyalty and a duty of care owed by boards to shareholders (Ortved & Wong, 2019).

Regarding the not-for-profit sector, the federal government enacted the *Canada Not-for-Profit Corporations Act* in 2009. This act requires all not-for-profit corporations incorporated federally, including national sports organisations, to engage in particular governance-related actions. These actions include providing copies of bylaws, holding annual meetings, and appointing auditors. Provinces have similar legislation addressing not-for-profit corporations.

### Sports system

Canada's sporting system has also been shaped by Canada's history and geography. Indigenous peoples of Canada have a long history of sport, which is only recently being understood in a decolonised manner (Morrow & Wamsley, 2017, p. 8). The United Kingdom and France established colonial traditions of sport in Canada. Meanwhile, Canada's location next to the United States has influenced the development of contemporary Canadian sport. As a result, "Canadian sport has been shaped by globalization as post-colonialism and, more recently, as Americanization" (Bergsgard, et al., 2007, p. 50).

The history of Canadian sports policy is one of increasing federal government involvement, and of increasing professionalisation within national sports organisations. Sport is not specified in the *Constitution Act, 1867* as falling under either a federal or provincial competence. Instead, the federal and provincial governments have "enacted legislation incidental

to its constitutional authority to support, stimulate or regulate sports programs” (Barnes, 1996, p. 10). This dual competence has led to a system of sport that involves the federal and provincial governments, sports organisations at the federal and provincial levels, community leagues/teams/clubs, municipalities, and schools (Thibault, 2017, p. 69).

Prior to 1960, sport was seen as a matter of provincial or municipal jurisdiction, given sport’s local focus and connection to local communities (Macintosh, Bedeck & Franks, 1987, p. 50). The federal government was briefly concerned about the poor fitness levels of army recruits during World War II, eventually enacting the *National Physical Fitness Act of Canada* (1943–1954) (Comeau, 2013, p. 78). In the 1950s, Canada performed poorly at international sporting events, and in 1959, the Duke of Edinburgh “chastised Canadians for their low level of fitness” (Comeau, 2013, p. 79). In response, the federal government moved more definitively into sport, enacting the *Fitness and Amateur Sport Act* in 1961. In the 1980s, the federal government and the provinces began to divide responsibility in sport on a more formal basis, but with a lot of overlap still remaining to this day (Harvey, 2013, pp. 49–51).

Although the federal government is now definitively involved in sport, sport’s position as a government priority has waxed and waned. As an example, since the creation of the position of Minister of Amateur Sport in 1961, Canadian sport has shifted between being assigned as a full ministerial responsibility within the Federal Cabinet, or as a junior ministry (Thibault & Harvey, 2013, pp. 16–18; Harvey, 2013, p. 47). Most recently, a Minister of Sport and Persons with Disabilities was a separate position in the federal cabinet from 2015–18. In 2018, the Minister of Science added Minister of Sport and Persons with Disabilities to their portfolio. Following the 2019 election, the Minister of Sport was abolished, with sport being assigned as a junior ministry, reporting to the Minister of Canadian Heritage and the Minister of Diversity and Inclusion and Youth. Sport Canada itself is located within the federal Department of Canadian Heritage, while Health Canada is primarily responsible for physical activity matters (Thibault, 2017, p. 75).

The federal government’s focus is on high-performance sport, with an emphasis on winning medals. This shift began as early as the 1970s (Kidd, 2013, p. 377–378; Brown, 2008, p. 438), crystallising in the 2000s. In 2003, Vancouver was awarded the right to host the 2010 Winter Olympic Games. Shortly after, the federal government created the ‘Own the Podium’ programme, institutionalising its focus on high-performance sport and winning medals (Brown, 2008).

As the federal government became increasingly involved in sport, the Canadian sports system began to change. Canadian sports organisations became more professional and more bureaucratic (Slack & Hinings, 1992, p. 114–15). Pre-1970, Canadian sports organisations were largely run informally by volunteers. From the 1970s to the 1990s, Canadian sports organisations increasingly relied on professional staff, and sought to become more efficient and effective. Since the 1990s, the focus on sporting success has led to increasing maturity of sporting organisations. This has been classified by one study as a move from the “kitchen table” to the “boardroom” to the “executive office” (Kikulis, Slack & Hinings,

1995, pp. 279–80; see also Parent, Naraine & Hoye, 2018, p. 563). As Canadian sports organisations have professionalised, they have sought to maintain a balance between their volunteer boards and the paid executive staff (Parent, Naraine & Hoye, 2018, p. 557; Auld & Godbey, 1998, p. 33; Kikulis, Slack & Hinings, 1995, p. 293). The professionalisation of Canadian sports organisations has led at least one research project to note an increasing need for professional development (Millar & Stevens, 2012, p. 288).

The Sport Information Resource Centre (SIRC) acts as a resource for sports organisations and includes resource to support sports governance (Sport Information Resource Centre, 2019). The SIRC also discusses governance principles, such as gender equity on boards (Gemin, 2020) and societal responsibility (Misener, 2020).

## Governance-related sports policies and regulations

The primary federal legislation on sport is the *Physical Activity and Sport Act*, which sets out the policies of the federal government in both physical activity and in sport. Under physical activity, the federal government seeks to promote physical activity generally, and to reduce barriers to participation in physical activity. The sports policy is divided into principles and objectives. Canada's sports policy is guided by the principles of "doping-free sport, the treatment of all persons with fairness and respect, the full and fair participation of all persons in sport, and the fair, equitable, transparent and timely resolution of disputes in sport" (*Physical Activity and Sport Act*, s. 4(1)). The objectives of Canada's sports policy are to increase participation and "support the pursuit of excellence in sport" and to "build capacity in the Canadian sport system" (*Physical Activity and Sport Act*, s. 4(2)). The Act also establishes the Sport Dispute Resolution Centre of Canada.

Canada adopted a national sports policy in 2002 (Sport Canada, 2002), which was updated in 2012. The *Canadian Sport Policy 2012* seeks to establish "A dynamic and innovative culture that promotes and celebrates participation and excellence in sport" (Sport Canada, 2012, p. 5), while also reducing the focus on competitive sport (Sport Canada, 2012, p. 15). The policy sets out goals and objectives for various levels of sport: Introduction, recreational, competitive, high performance, as well as for sport for social and economic development. Some of the objectives are related to governance, such as:

- Opportunities "for persons from traditionally underrepresented and/or marginalised populations" to engage in leadership roles (introduction, recreational, competitive)
- Community coaches and leaders providing guidelines for ethical conduct (recreational)
- Participants adhering to a code of ethics and of conduct (competitive, high performance)
- Creating "the organisational capacity, i.e., governance, human and financial resources" to achieve objectives (competitive, high performance)
- Having Canada be an international leader "in the promotion of positive values, anti-doping and ethics in sport" (high performance) (Sport Canada, 2012, pp. 9–13).

Other sports policies include:

- Red Deer Declaration – For the Prevention of Harassment, Abuse and Discrimination in Sport (2020)
- 2019 Canadian High Performance Sport Strategy (2019)
- Actively Engaged: A Policy on Sport for Women and Girls (2009)
- Canadian Policy Against Doping in Sport (2011)
- Federal Government Policy of Tobacco Sponsorship of National Sport Organisations March 1985 (1985)
- Federal Policy for Hosting International Sport Events (2008)
- Intergovernmental Sport Policy Development (1986)
- Policy on Sport for Persons with a Disability (2006)
- Sport Canada’s Policy on Aboriginal Peoples’ Participation in Sport (2005)

Sport Canada oversees the Sport Funding and Accountability Framework (SFAF). The SFAF was first established in 1995 “to realise elite sport policy objectives and increase the accountability of [national sport organisations]” (Havaris & Danylchuk, 2007, p. 32). All national sports organisations funded through Sport Canada’s ‘Sport Support Program’ must meet the SFAF requirements to receive funding. The SFAF’s most current iteration has about 60 specific items that national sport organisations must address. These include, for example:

- Incorporation as a not-for-profit
- Possessing a constitution, by-laws, and objects
- Providing for democratically elected leadership
- Regularly reviewing policies
- Defining roles and responsibilities of senior staff positions
- Demonstrating that athletes have “opportunity to be informed and to provide input into matters affecting them”
- Demonstrating a “commitment to equity and access, notably for women and girls, persons with a disability and Aboriginal peoples”
- Possessing a “formal policy on discrimination, harassment and abuse”
- Developing codes of conduct and a conflict of interest policy
- Possessing an internal dispute resolution process, and allow for referral of dispute resolution to the Sport Dispute Resolution Centre of Canada
- Having a comprehensive multi-year plan tied to a budget
- Having audited financial statements (Sport Canada, 2017).

The SFAF has been found by one research project to have “some influence” on national sports organisation governance, but not a “tremendous effect” (Havaris & Danylchuk, 2007, p. 49). This is in contrast to a study of the effect of the *Canada Not-for-Profit Corporations Act* on national sports organisations, which found significant changes in governance due to the act, perhaps due to clear consequences for non-compliance (Parent, Naraine & Hoye, 2019, p. 560).

More recently, Canada has begun a process of decolonisation and Indigenisation following the publication of the Truth and Reconciliation Commission's report in 2015. The Truth and Reconciliation Commission examined the history of Canada's residential school system and the harms inflicted on Canada's Indigenous population. The Truth and Reconciliation Commission issued ninety-four calls to action, five of which specifically relate to sport. These include calls to:

- Provide education that “tells the national story of Aboriginal athletes” (Call to Action 87)
- “Ensure long-term Aboriginal athlete development and growth, and continued support for the North American Indigenous Games” (Call to Action 88)
- Amend the *Physical Activity and Sport Act* to support reconciliation (Call to Action 89)
- “Ensure national spots policies...are inclusive of Aboriginal peoples” (Call to Action 90)
- To call upon hosts of international sporting events to “ensure that Indigenous people's territorial protocols are respected, and local Indigenous communities are engaged in all aspects of planning and participating in such events” (Call to Action 91) (Truth and Reconciliation Commission of Canada, 2015, p. 336).

In the future, Canada will likely begin to align its sports policy to include the Calls for Action set out by the Truth and Reconciliation Commission. The mandate letter from the Prime Minister to the Minister of Canadian Heritage requires the Minister to “Develop additional programming to increase Canadians' participation in sport, with a particular focus on Indigenous peoples” (Office of the Prime Minister, 2019).

## Methods

### Case selection

Sport Canada funds 58 national sports (and parasports) organisations (Sport Canada, 2019). Eight of these national sports organisations were selected for this sample. This sample includes national sports organisations that oversee the five common sports evaluated across the National Sports Governance Observer project (athletics, football (soccer), handball, swimming, and tennis), two national sports organisations that were relatively large and have a significant meaning in Canadian sport (ice hockey and curling), and the umbrella organisation (the Canadian Olympic Committee).

**Table 2: Sport, official name, official acronym**

Sport	Official name	Official acronym
Athletics	Athletics Canada	AC
Curling	Curling Canada	CC
Handball	Canadian Team Handball Federation	CTHF
Hockey	Hockey Canada	HC
Soccer (Football)	Canada Soccer	CS
Swimming	Swimming Canada	SNC
Tennis	Tennis Canada	TC
Olympic Committee	Canada Olympic Committee	COC

### Data collection

The data was collected in accordance with the standardised National Sports Governance Observer data gathering process. From January 2019 to December 2019, the researchers from Thompson Rivers University gathered data from the eight national sports organisations. The method used during the project consisted of six phases:

Phase 1: Selecting and contacting national sports organisations. The boards of the selected organisations were informed by letter about the content of the research and the process of the research and were given an opportunity to contact the lead researcher. Two national sports organisations responded.

Phase 2: Collecting data and assigning initial scores. Two research assistants conducted desk research: Studying the websites, statutes, internal regulations, and other relevant documents of the national sports organisations. The lead researcher reviewed this research for accuracy. The initial scores were calculated, and an overview of missing information was made.

Phase 3: The lead researcher contacted the two national sports organisations that responded to the initial letter to follow-up about the missing data. One responded to the contact.

Phase 4: Preliminary scores were assigned, considering the feedback given in the third phase. A preliminary report was made in the form of a presentation at the 2019 Play the Game conference in Colorado Springs. The aggregate data was presented, and the data for each national sports organisation was anonymised as the data was still preliminary data.

Phase 5: The data was sent to the two national sports organisations that responded to the initial letter. The organisations were given four weeks to provide feedback. One organisation responded.

Phase 6: In April 2020, the scores were definitively assigned, and the report finalised.

Phase 7: In April 2021, scores were slightly updated with feedback from Play the Game. Some organisations overhauled websites and policies in light of the COVID-19 pandemic, and the response to other world events. However, these were not taken into account, and the scores are a snapshot of the pre-COVID world, with few exceptions.

## Data analysis

The scores of the national sports organisations were calculated in a standardised score sheet. This score sheet is used by all countries that participated in the National Sports Governance Observer project.

## Results

The average NSGO score of the Canadian national sports organisations is 41%, which corresponds with a 'moderate' categorisation. Across the four indicators, there is little variance: The difference between the highest and the lowest score is only 12 percentage points. Canadian national sports organisations are strongest in democracy and accountability with 'moderate' scores of 45% each. Transparency is also 'moderate' with a score of 42%. Societal responsibility is the weakest dimension of governance, with 33%.

The Canadian national sports organisations can be roughly grouped into three tiers. The top tier consists of four organisations, which scored 'moderate' with overall scores between 49% and 54%. The middle tier consists of two organisations, which scored 'weak' and 'moderate' with 38% and 40%. The bottom tier consists of two organisations that also scored as 'weak' with 20% and 30%. A significant spread between organisations exists within each individual dimension, and the national sports organisations are not so neatly grouped in any given dimension.

The discussion of each dimension will provide a brief overview, discuss the scores that were 'good' or 'not fulfilled', which also serve as the highest and lowest average scores, and provide a short conclusion.

### Dimension 1: Transparency

Canadian national sports organisations scored 42%, or 'moderate', on transparency. The top national organisation scored 63%, one of four 'good' scores across all national organisations and dimensions, while the lowest-scoring national sports organisation scored 18%. This equals a spread of 45 percentage points, which is the second-lowest spread amongst the four dimensions.

Canadian national sports organisations achieved an average of 'good' (79%) on principle 1, asking whether "the organisation publishes its statutes/constitution, internal regulations, organisation chart, sports rules, and multi-annual policy plan on its website". The national organisations also scored an average of "good" (76%) on principle 5, asking whether "the organisation publishes information about its members (athletes and clubs) on its website."

The Canadian national sports organisations scored an average of 'not fulfilled' on two principles. These were principle 3 (13%), asking whether "the organisation publishes board decisions on its website", and principle 7 (6%), asking whether "the organisation publishes regulations and reports on the remuneration, including compensation and bonuses, of its board members on its website."

Below, the average scores of the eight Canadian national sports organisations are shown:

**Table 3: Transparency – average scores per principle**

Principle Number	Principle	Average Score
1	The organisation publishes its statutes/constitution, international regulations, organisation chart, sports rules and multi-annual policy plan on its website.	79%
2	The organisation publishes the agenda and minutes of its general assembly meeting on its website.	29%
3	The organisation publishes board decisions on its website.	13%
4	The organisation publishes information about its board members on its website.	48%
5	The organisation publishes information about its members (athletes and clubs) on its website.	76%
6	The organisation publishes an annual report, including financial statements, on its website.	46%
7	The organisation publishes regulations and reports on the remuneration, including compensation and bonuses, of its board members on its website.	6%

## Dimension 2: Democratic processes

Canadian national sports organisations scored 45%, or ‘moderate’, on the democratic processes dimension. The top national organisation scored 63%, one of four ‘good’ scores across all national federations and dimensions, while the lowest-scoring national federation scored 33%. This created a spread of 30 percentage points, the lowest spread amongst the four dimensions.

Canadian national sports organisations achieved an average of ‘very good’ (94%) on principle 13, asking whether “the general assembly represents all affiliated members and meets at least once a year”. The national organisations also scored an average of ‘good’ (78%) on principle 8, asking whether “board members are democratically (re-)appointed according to clear principles”.

The Canadian national sports organisations scored an average of ‘not fulfilled’ on three principles. Principle 9 asks whether “the organisation takes steps to achieve a differentiated and balanced composition of its board” (16%). Principles 17 and 18 ask about the participation of coaches (19%) and volunteers (3%) in the policy-making process.

Below, the average scores of the eight Canadian national sports organisations are shown:

**Table 4: Democratic processes – average scores per principle**

Principle Number	Principle	Average Score
8	Board members are democratically (re-)appointed according to clear procedures.	78%
9	The organisation takes steps to achieve a differentiated and balanced composition of its board.	16%
10	The organisation has a nomination committee.	62%
11	The organisation establishes a quorum (a minimum number of attendees required to conduct business and to cast votes) in its statutes or internal regulations for the board and the general assembly.	69%
12	The organisation has established term limits as well as a retirement schedule.	56%
13	The general assembly represents all affiliated members and meets at least once a year.	94%
14	The board meets regularly.	45%
15	The organisation ensures the participation of athletes in its policy processes.	41%
16	The organisation ensures the participation of referees in its policy processes.	39%
17	The organisation ensures the participation of coaches in its policy processes.	19%
18	The organisation ensures the participation of volunteers in its policy processes.	3%
19	The organisation ensures the participation of employees in its policy processes.	22%
20	The organisation implements a gender equality policy.	40%

### Dimension 3: Internal accountability and control

Canadian national sports organisations scored 45%, or ‘moderate’, on internal accountability and control. The top national federation scored 70%, while the second-strongest federation scored 61%, representing two of the four ‘good’ scores across all federations and dimensions, while the lowest-scoring national federation scored 17%. This created a spread of 53 percentage points, the largest spread amongst the four dimensions.

Canadian national sports organisations achieved an average of ‘good’ (77%) on principle 24, asking whether the “organisation applies a clear governance structure according to the principle of separation of powers.” The national federations also scored an average of ‘good’ on principle 22 (69%), asking whether the “board establishes procedures regarding the premature resignation of board members”, and on principle 32 (63%), asking whether “the board establishes procedures for the processing of complaints in the internal regulations.”

The Canadian national sports organisations scored an average of ‘not fulfilled’ on one principle. Principle 28 (17%) asks whether the “board annually evaluates its own composition and performance”. Finally, principle 21 is the second-weakest principle (21%), asking whether the “general assembly supervises the board appropriately”.

Below, the average scores of the eight Canadian national sports organisations are shown:

**Table 5: Internal accountability and control – average scores per principle**

Principle Number	Principle	Average Score
21	The general assembly supervises the board appropriately.	21%
22	The board establishes procedures regarding the premature resignation of board members.	69%
23	The organisation defines in its statutes those circumstances in which, due to a serious conflict of interest, a person is ineligible to serve as a member of the board.	48%
24	The organisation applies a clear governance structure according to the principle of separation of powers.	77%
25	The board supervises management appropriately.	42%
26	The organisation has an internal financial or audit committee.	50%
27	The organisation implements a financial control system.	27%
28	The board annually evaluates its own composition and performance.	17%
29	The organisation's finances are externally audited by an independent auditor.	33%
30	The organisation has or recognises a code of conduct applicable to the members of the board, management and personnel.	54%
31	The board establishes clear conflicts of interest procedures that apply to the members of the board.	59%
32	The board establishes procedures for the processing of complaints in the internal regulations.	63%
33	The organisation's decisions can be contested through internal or external mechanisms.	49%
34	The board adopts an annual meeting schedule.	21%

#### Dimension 4: Societal responsibility

Canadian national sports organisations scored 33%, or 'weak', on societal responsibility. The top national federation scored 52%, while the lowest-scoring national federation scored 6%. This created a spread of 46 percentage points, the second-largest spread amongst the four dimensions.

Canadian national sports organisations achieved an average of 'good' on principle 37 (63%), that the "organisation implements a policy on combating sexual harassment in sport".

The Canadian national sports organisations scored an average of 'not fulfilled' on four principles. Principle 42 (8%) asks whether "the organisation implements a policy to combat match-fixing". Principle 43 (4%) asks whether the "organisation implements a policy for the promotion of environmental sustainability". Finally, principle 46 (10%) asks whether the "organisation ensures the fair treatment of professional athletes" while principle 44 (15%) asks whether the "organisation implements a policy on promoting the dual career of athletes."

Below, the average scores of the eight Canadian national sports organisations are shown:

**Table 6: Societal responsibility – average scores per principle**

<b>Principle Number</b>	<b>Principle</b>	<b>Average Score</b>
35	The organisation offers consulting to its member organisations in the areas of management or governance.	32%
36	The organisation implements a policy aimed at mitigating the health risks of sporting activities.	46%
37	The organisation implements a policy on combating sexual harassment in sport.	63%
38	The organisation implements an anti-doping policy.	51%
39	The organisation implements a policy on social inclusion through sport.	49%
40	The organisation implements a policy combatting discrimination in sport.	56%
41	The organisation implements a policy to promote gender equality in sport.	23%
42	The organisation implements a policy to combat match-fixing.	8%
43	The organisation implements a policy for the promotion of environmental sustainability.	4%
44	The organisation implements a policy on promoting the dual career of athletes.	15%
45	The organisation implements a policy on promoting sport for all.	40%
46	The organisation ensures the fair treatment of professional athletes.	10%

## Discussion and policy implications

Overall, Canadian national sports organisations received a ‘moderate’ score. This score was generally consistent across the four dimensions. This score suggests that while Canadian sports organisations appear to have the fundamentals of good governance in hand, there is significant work to be done if they seek to be global leaders in good governance. This section will briefly comment on the four dimensions of good governance, and then provide some observations for future development of good governance in Canadian sport.

First, the Canadian national sports organisations received a ‘moderate’ score regarding transparency. In some areas, the organisations scored well, such as publishing statutes/constitutions and information about its members. However, the more that the documents reveal about the inner workings of the organisation, the less likely that the information is publicly accessible. For instance, there are few organisations that provide access to meeting agendas, board decisions, and information on remuneration.

Second, the Canadian national sports organisations scored strongest in democracy, also receiving a ‘moderate’ score. The organisations perform well on some of the ‘big picture’ principles, such as democratic appointment of board members, meetings of the general assembly, and quorum. The organisations fall short in setting out formal steps to include diverse stakeholders, such as achieving a differentiated composition of the board, or ensuring participation by relevant stakeholders. It is possible that the organisations do have policies in place to achieve these goals, but that these policies are informal. This would be consistent with Canadian sports organisations’ history of evolution from informal to professional organisations. However, this data would be hard to quantify, and is in any event not captured by this instrument.

Third, the Canadian sports federations also scored ‘moderate’ on internal accountability and control. The federations performed well on some aspects of internal accountability, but not others. Fundamental elements, like having a clear governance structure, or an audit committee, are met. However, higher-order elements, such as board self-evaluation, are not met as fully.

Fourth, the Canadian national sports organisations score weakest on societal responsibility. The federations score well on implementing policies addressing sexual harassment and discrimination. This strong score should not be surprising to observers of Canadian sport, given allegations of sexual harassment in gymnastics (CBC, 2019), athletics (CBC, 2020), and even against the former President of the Canadian Olympic Committee (CBC, 2015). Meanwhile, it might be surprising to international observers that match-fixing is not widely addressed. However, the issue seems to be less salient in Canada currently, and some organisations do address gambling in a broader manner. Similarly, the lack of promotion of environmental sustainability is perhaps unsurprising, given Canada’s lack of a concerted approach to climate change and its reliance on fossil fuels.

Overall, the 'moderate' scores of Canadian national sports organisations may be influenced by the history of evolution from informal organisations to formalised organisations. As a result, many positive actions may be done informally, but lack formal policies around them. In addition, there may not be incentive for Canadian sports organisations to develop more robust governance structures, processes, and policies. Both of these possible conclusions suggest particular future actions.

Moving forward, the federations may need to formalise their operations as they continue to mature. There may be a place for a more active role for Sport Canada. In particular, a more robust Sport Funding and Accountability Framework (SFAF) could be deployed, with published results. This would require more transparency on behalf of Sport Canada as well. The SFAF was not publicly available (at least not to the researchers), and obtaining the SFAF required e-mail correspondence with Sport Canada (who were helpful). If the SFAF is not made transparent, it is perhaps unsurprising that sports organisations are not always transparent with their own documentation. The Sport Information Resource Centre may also play a role in the redevelopment of the SFAF.

It is also notable that there is a spread amongst Canadian national sports organisations, despite the existence of a nation-wide framework. If the SFAF is not having its intended effect, perhaps changes to the *Physical Activity and Sport Act*, with binding requirements, model bylaws, or similar elements, may be beneficial to Sport Canada and the Canadian national sports organisations. In conducting the research, the primary researcher noted an impact from the *Canada Not-for-Profit Corporation Act*. The Act addressed items such as annual meetings (s. 160), quorum (ss. 136, 164), conflicts of interest (s. 141), and removal of directors (s. 130). Not only were these areas in which sports organisations scored well, these areas were almost always specifically addressed in the bylaws of the organisations, even in instances where the organisation could have simply relied on the Act. This result supports the conclusion of a recent study suggesting that *Canada Not-for-Profit Corporation Act* may be a "stronger incentive for governance change...than the various sport policies." (Parent, Naraine & Hoye, 2019, p. 560).

Updating the Canadian Sport Policy, which also does not have consequences for non-compliance (Parent, Naraine & Hoye, 2018, p. 560), may also be useful, given that updating the Canadian Sport Policy would be simpler than amending legislation. Meanwhile, it might be a good practice to update the Canadian Sport Policy more than once per decade. Perhaps updating the policy once every two Olympiads (8 years) might be a good starting point.

Other follow-up questions present themselves. Given the similar scores to that of Germany's scores in the November 2018 reporting of the NSGO findings, is there something in the federalist structure of sport that leads to lower scores? Given the eclectic structure of Canadian sport, with all of its various actors and levels of government, might it be more difficult to impose good governance standards in a uniform way?

The lead researcher of this report also recognises that Canadian national sports organisations are often under-resourced and over-worked in terms of their administrative staff. However, the organisations are on the right track and improvements in governance will hopefully make the organisations more efficient and effective going forward.

## References

- Auld, C. & Godbey, G. (1998). Influence in Canadian National Sport Organizations: Perceptions of Professionals and Volunteers. *Journal of Sport Management*, 12, pp. 20–38.
- Barnes, J. (1996). *Sports and the Law in Canada*. Toronto: Butterworths.
- Bergsgard, N.A., Houlihan, B., Mangset, P., Nødland, S.I., & Rommetvedt, H. (2007). *Sport Policy: A Comparative Analysis of Stability and Change*. Oxford: Butterwoth-Heinemann.
- Brown, D.A. (2008). From the *Partners in Pursuit of Excellence* to *Own the Podium*: An Ideological Slip in Canadian Olympic Sport, in R. Barney, et al. (eds.): *Pathways: Critiques and Discourse in Olympic Research: Ninth International Symposium for Olympic Research*. London, Ontario: International Centre for Olympic Studies, pp. 432–447.
- CBC (2015). COC head Marcel Aubut steps aside after sex harassment complaint. Available at <https://www.cbc.ca/sports/marcel-aubut-canadian-olympic-committee-president-1.3251431>.
- CBC (2019). Ex-Canadian gymnastics coach Dave Brubaker not guilty of sex assault. Available at <https://www.cbc.ca/sports/olympics/summer/gymnastics/trial-former-canadian-gymnastics-coach-dave-brubaker-1.4870596>.
- CBC (2020). Athletics Canada calls allegations of coach-underage athlete sexual relationship ‘deeply disturbing’. Available at <https://www.cbc.ca/sports/olympics/summer/trackandfield/david-scott-thomas-sexual-relationship-allegations-1.5457594>.
- Canada Business Corporations Act*, R.S.C., 1985, c. C-44.
- Canada Not-for-Profit Corporations Act*, S.C. 2009, c. 23.
- Comeau, G.S. (2013). The Evolution of Canadian Sport Policy. *International Journal of Sport Policy and Politics*, 5(1), pp. 73–93.
- Gemin, G. (2020). Gender Equity is Good Governance – Lessons from the Sport Sector. Available at <https://sirc.ca/blog/gender-equity-is-good-governance-lessons-from-the-sport-sector/>.
- Harvey, J. (2013). Multi-Level Governance and Sport Policy in Canada, in L. Thibault & J. Harvey (eds.): *Sport Policy in Canada*. Ottawa: University of Ottawa, pp. 37–68.
- Havaris, E.P. & Danylchuk, K.E. (2007). An Assessment of Sport Canada’s Sport Funding and Accountability Framework, 1995–2004. *European Sport Management Quarterly*, 7, pp. 31–53.

Kidd, B. (2013). The Philosophy of Excellence: Olympic Performances, Class Power and the Canadian State. *Sport in Society*, 16(4), pp. 372–387.

Kikulis, L.M., Slack, T., Hinings, B. (1995). Does Decision Making Make a Difference? Patterns of Change within Canadian National Sport Organizations. *Journal of Sport Management*, 9, pp. 273–299.

MacDougall, A. & Valley, J. (2019). Canada, in W.J.L. Calkoen (ed.): *The Corporate Governance Review* (9th ed.). London: Law Business Research.

Macintosh, D., Bedecki, T. & Franks, C.E.S. (1987). *Sport and Politics in Canada: Federal Government Involvement since 1961*. Kingston and Montreal: McGill-Queen's University Press.

Millar, P. & Stevens, J. (2012). Management Training and National Sport Organization Managers: Examining the Impact of Training of Individual and Organizational Performances. *Sport Management Review*, 15, pp. 288–303.

Misener, L. (2020). Taking Action: Community Sport Organizations and Social Responsibility. Available at: <https://sirc.ca/blog/taking-action-community-sport-organizations-and-social-responsibility/>.

Morrow, D. & Wamsley, K.B. (2017). *Sport in Canada: A History* (4th ed.). Don Mills, Ontario: Oxford University Press Canada.

Office of the Prime Minister (2019). Minister of Canadian Heritage Mandate Letter. Available at: <https://pm.gc.ca/en/mandate-letters/2019/12/13/minister-canadian-heritage-mandate-letter>

Ortved, C. & Wong, R. (2019). Corporate Governance and Directors' Duties in Canada: Overview. Thomson Reuters. Available at: [https://ca.practicallaw.thomsonreuters.com/2-502-2944?transitionType=Default&contextData=\(sc.Default\)&firstPage=true&bhcp=1#co\\_anchor\\_a280351](https://ca.practicallaw.thomsonreuters.com/2-502-2944?transitionType=Default&contextData=(sc.Default)&firstPage=true&bhcp=1#co_anchor_a280351)

Parent, M.M., Naraine, M.L. & Hoye, R. (2018). A New Era for Governance Structures and Processes in Canadian National Sport Organizations. *Journal of Sport Management*, 32, pp. 555–566.

*Physical Activity and Sport Act*, S.C. 2003, c. 2.

Slack, T. & Hinings, B. (1992). Understanding Change in National Sport Organizations: An Integration of Theoretical Perspectives. *Journal of Sport Management*, 6, pp. 114–132.

Sport Canada (2002). *The Canadian Sport Policy*. Ottawa: Sport Canada.

Sport Canada (2012). *Canadian Sport Policy 2012*. Ottawa: Sport Canada.

Sport Canada (2017). *Sport Funding and Accountability Framework (SFAF VI): National Sport Organizations Eligibility Requirements*. Ottawa: Sport Canada.

Sport Canada (2019). Organizations Funded by Sport Canada. Available at <https://www.canada.ca/en/canadian-heritage/services/sport-organizations/national.html>.

Sport Information Resource Centre (2019). Sport Governance, Leadership & Policy. Available at <https://sirc.ca/resources/sport-governance-and-leadership/sport-governance-leadership-policy>.

Thibault, L. (2017). Canada: An Evolving Sport System, in J. Scheerder, et al. (eds.): *Sport Policy Systems and Sport Federations*. London: Palgrave, pp. 65–85.

Thibault, L. & Harvey, J. (2013). The Evolution of Federal Sport Policy from 1960 to Today, in L. Thibault & J. Harvey (eds.): *Sport Policy in Canada*. Ottawa: University of Ottawa, pp. 11–35.

Truth and Reconciliation Commission of Canada (2015). *Honouring the Truth, Reconciling for the Future: Summary of the Final Report of the Truth and Reconciliation Commission of Canada*. Winnipeg: Truth and Reconciliation Commission of Canada.

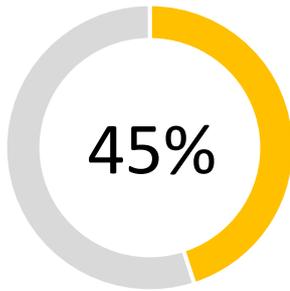
# NATIONAL SPORTS GOVERNANCE OBSERVER

## COUNTRY REPORT: COLOMBIA

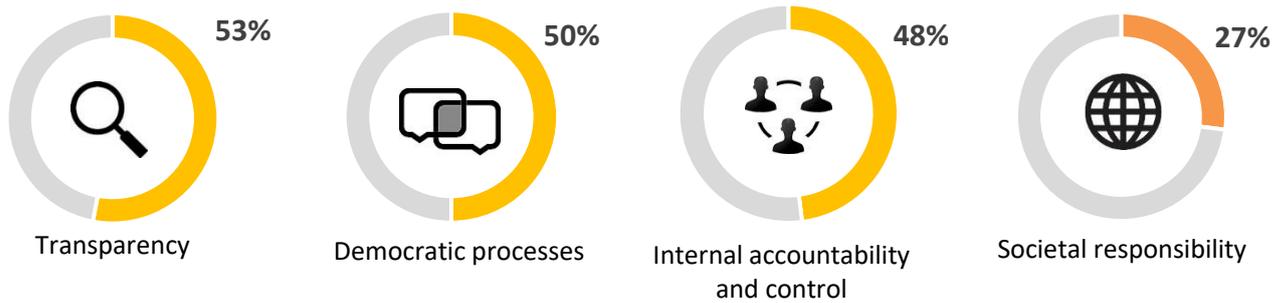
## Key results: Colombia

Figures 1, 2, and 3 show Colombia’s main NSGO scores. Table 1 summarises the surveyed federations’ principle scores by showing their corresponding labels.

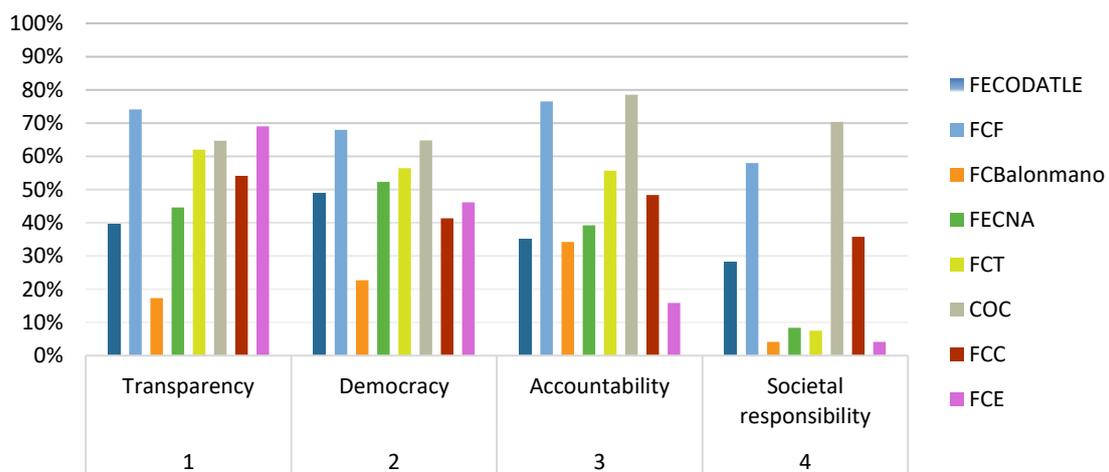
**Figure 1: Colombia’s overall NSGO index score**



**Figure 2: Colombia’s scores on the four NSGO dimensions**



**Figure 3: The surveyed Colombian sport federations’ scores on the four NSGO dimensions**



See table 2 for the federations’ full names.

**Table 1: The surveyed Colombian federations' scores on the 46 NSGO principles**

	Principle	FECO DATLE	FCF	FCB	FECNA	FCT	COC	FCC	FCE
Transparency	1. Legal and policy documents	Orange	Green	Orange	Light Green	Light Green	Green	Yellow	Light Green
	2. General assembly	Yellow	Green	Orange	Yellow	Yellow	Green	Light Green	Green
	3. Board decisions	Yellow	Orange	Red	Red	Red	Red	Orange	Green
	4. Board members	Orange	Green	Red	Light Green	Light Green	Light Green	Yellow	Red
	5. Athletes and clubs	Red	Green	Red	Red	Green	Light Green	Orange	Light Green
	6. Annual report	Light Green	Yellow	Yellow	Orange	Light Green	Yellow	Yellow	Light Green
	7. Remuneration	Orange	Light Green	Red	Light Green	Light Green	Light Green	Green	Light Green
Democratic processes	8. Elections of board members	Green	Green	Green	Green	Green	Green	Light Green	Green
	9. Policy for differentiated board	Red	Green	Yellow	Red	Light Green	Green	Light Green	Yellow
	10. Nomination committee	Red	Red	Red	Red	Red	Red	Red	Red
	11. Quorums	Green	Light Green	Yellow	Light Green				
	12. Term limits	Green	Green	Red	Yellow	Yellow	Green	Yellow	Red
	13. Member representation	Light Green	Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
	14. Regular board meetings	Light Green	Green	Orange	Green	Green	Green	Orange	Light Green
	15. Athletes' participation	Red	Yellow	Red	Red	Orange	Green	Orange	Red
	16. Referees' participation	Yellow	Light Green	Red	Green	Green	Red	Orange	Light Green
	17. Coaches' participation	Yellow	Orange	Red	Green	Green	Orange	Red	Green
	18. Volunteers' participation	Red	Orange	Red	Red	Red	Light Green	Red	Red
	19. Employees' participation	Green	Green	Green	Green	Red	Light Green	Green	Red
	20. Gender equality policy	Red	Red	Red	Red	Orange	Red	Red	Red
Internal accountability and control	21. Supervision of board	Yellow	Yellow	Orange	Green	Green	Green	Light Green	Orange
	22. Board resignation procedures	Orange	Light Green	Green	Yellow	Red	Orange	Red	Red
	23. Board eligibility rules	Red	Green	Red	Red	Red	Light Green	Green	Red
	24. Clear governance structure	Green	Green	Light Green	Green	Green	Yellow	Light Green	Light Green
	25. Supervision of management	Yellow	Orange	Red	Red	Yellow	Green	Red	Orange
	26. Audit committee		Light Green			Yellow	Green	Light Green	
	27. Financial controls	Green	Light Green	Red	Red	Red	Green	Red	Red
	28. Board self-evaluation	Red	Green	Red	Yellow	Red	Orange	Yellow	Red
	29. External audit	Red	Green	Green	Green	Green	Green	Green	Red
	30. Code of conduct	Light Green	Green	Yellow	Yellow	Green	Green	Light Green	Red
	31. Conflict of interest procedures	Red	Red	Red	Red	Light Green	Light Green	Red	Red
	32. Complaint procedure	Red	Green	Red	Red	Orange	Light Green	Red	Red
	33. Appeal procedure	Light Green	Green	Green	Light Green	Yellow	Green	Light Green	Red
	34. Board meeting schedule	Red	Green	Red	Red	Green	Green	Yellow	Yellow
Societal responsibility	35. Governance consulting	Red	Yellow	Red	Red	Red	Yellow	Orange	Red
	36. Mitigating health risks	Red	Red	Red	Red	Red	Red	Yellow	Red
	37. Combating sexual harassment	Red	Light Green	Red	Red	Red	Light Green	Red	Red
	38. Anti-doping	Green	Green	Red	Light Green	Yellow	Light Green	Light Green	Red
	39. Social inclusion	Green	Orange	Red	Red	Red	Green	Red	Red
	40. Anti-discrimination	Red	Green	Red	Red	Red	Green	Red	Red
	41. Gender equality	Red	Red	Red	Red	Red	Light Green	Red	Red
	42. Anti-match-fixing	Orange	Green	Red	Red	Red	Orange	Orange	Red
	43. Environmental sustainability	Yellow	Red	Yellow	Red	Red	Green	Orange	Red
	44. Dual careers	Red	Yellow	Red	Red	Orange	Green	Green	Yellow
	45. Sport for all	Light Green	Green	Red	Orange	Red	Green	Orange	Red
	46. Athletes' rights	Red	Green	Red	Red	Red		Yellow	Red

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

By Ana María Arias<sup>12</sup>, José Ramos Acosta<sup>13</sup>, Julie Hortencia Gómez Solano<sup>14</sup>, Néstor Ordoñez Saavedra<sup>15</sup>, Martha Cecilia Sandino Rodríguez<sup>16</sup>, Liliana María Cardona Mejía,<sup>17</sup> Norma Constanza Castellanos García<sup>18</sup>, Catalina Melendro Blanco<sup>19</sup>, Edgar Felipe Galindo Rojas, Héctor Fabián Bolívar Alfonso, Cristian David Dueñas Sanabria, Iván Camilo Aranda Salgado, Maria Juliana Pérez Tello, María Daniela Calle Castillo<sup>20</sup>

## Overview

This chapter benchmarks the implementation of the good governance principles by the Colombian Olympic Committee (COC) and seven national sports federations (NSFs): Athletics, football, handball, swimming, tennis, cycling, and fencing. Data gathering took place from January to August 2019.

The average score on the NSGO index of the Colombian federations and the Colombian Olympic Committee is 45%, which constitutes a ‘moderate’ score according to the scale of the project. However, there are considerable spreads between the dimensions and federations, i.e. the results show that sports organisations achieved both good and weak scores in different principles.

Most of the high scores are related to dimensions where the Colombian National Sports System (CNSS) has actively worked on self-regulatory measures. Indeed, some leaders of the national sports governing bodies have established good governance strategies such as pacts as well as governance and transparency codes. These strategies aimed at structuring decision making in sport and implementing sanctions for practices that might undermine sports integrity and the values of the Olympic movement. Likewise, most of the low scores underline the necessity of actively working on stakeholder participation and CSR strategies specifically related to address discrimination, gender equality, and environmental sustainability.

The structure of the report includes chapters that will describe and discuss:

- Context and background of good governance in sports organisations as well as detailed policies and regulations promoting the implementation of good governance into the Colombian National Sport System (CNSS).
- Methodology implemented for data gathering in the seven NSFs and the COC. This process was carried out in accordance with the different phases proposed in the NSGO instrument (2019) in approximately eight months from the time the letters were sent to the federations until the delivery time of the corresponding report.

---

<sup>12</sup> Master of Sport Sciences, Lecturer, University of Environmental and Applied Sciences (UDCA), Bogota

<sup>13</sup> Lecturer, UDCA

<sup>14</sup> Lecturer, UDCA

<sup>15</sup> Dean, UDCA

<sup>16</sup> Professor, Escuela Nacional del Deporte

<sup>17</sup> Professor, Universidad de Antioquia

<sup>18</sup> Academic director, Colombian National Olympic Committee

<sup>19</sup> Lecturer, Universidad Externado de Colombia

<sup>20</sup> Research assistants, UDCA

- Analysis results for each of the dimensions: Transparency, democratic processes, internal accountability and control, and societal responsibility.
- Main findings and improvement proposals to strengthen the Olympic Movement and the CNSS itself.

## Context

In Colombia, sports governance has recently been taken as a fundamental element to formulate and implement government policies to contribute to a better management perception of organisational, financial, political, and social resources allocations. This has enabled the implementation of some strategic actions directed to reduce the institutional risks of the Colombian National Sports System (CNSS).

### Sport governance culture

Law 181 from 1995, commonly called the National Sports Law, settles the structure of the CNSS. This law, despite not having a specific governance code, has enabled the implementation of some good governance practices. This has in return allowed a slight improvement and a better functioning of the CNSS organisations which are starting to regulate their legal responsibilities in the framework of sports practice promotion.

Additionally, the multiple and recent cases of corruption and mismanagement of sports governance at the international level have generated a certain level of awareness regarding the risks and threats to sports integrity in the different sports organisations that are part of the Colombian National Sports System (CNSS). This has made it necessary to promote principles of good governance aimed at strengthening the institutional framework and legitimacy of the national sports federations. However, it is important to recognise those issues that expose the state of vulnerability of national sports organisations, such as corruption, the commercialisation of sports, doping, match-fixing, and the formation of criminal networks against sports, unsustainable mega events, sports transhumance, and the exploitation of athletes.

To determine the relevance and pertinence of governance in the national context, it was important to start with a review of the international context. Firstly, the International Charter of Physical Education, Physical Activity and Sport states that the protection of the integrity and ethical values of sport depends exclusively on those organisations dedicated to the promotion and dissemination of the sports practice. In fact, the International Charter itself proposes as an objective “to unite significant efforts in order to combat all those aspects that directly affect sport in order to guarantee the credibility of all the actors involved in the sport practice”. (UNESCO, 2015).

Secondly, based on the IOC Basic Universal Principles of Good Governance (BUPs), the Colombian Olympic Committee (COC), the Colombian Ministry for Sport, national sports federations (NSFs) and academia are working together on the design and implementation of a working plan that will aim at strengthening cooperation and group work from stakeholders for sports promotion.

Thirdly, in 2018 The Ministry for Sport announced the 004 Bylaw which was addressed to all sports organisation from the CNSS. Through it, the Colombian Ministry for Sport established monitoring and evaluation guidelines directed to administrative, financial,

accounting and technical processes, and also the promotion for good governance and transparency commissions.

As a result, the COC and the Ministry for Sport signed the Pact for Good Governance and Transparency where they committed to apply the different principles of good governance, stated in the BUPs, namely, democratic and transparent processes and stakeholder participation in decision-making processes.

## National sports system

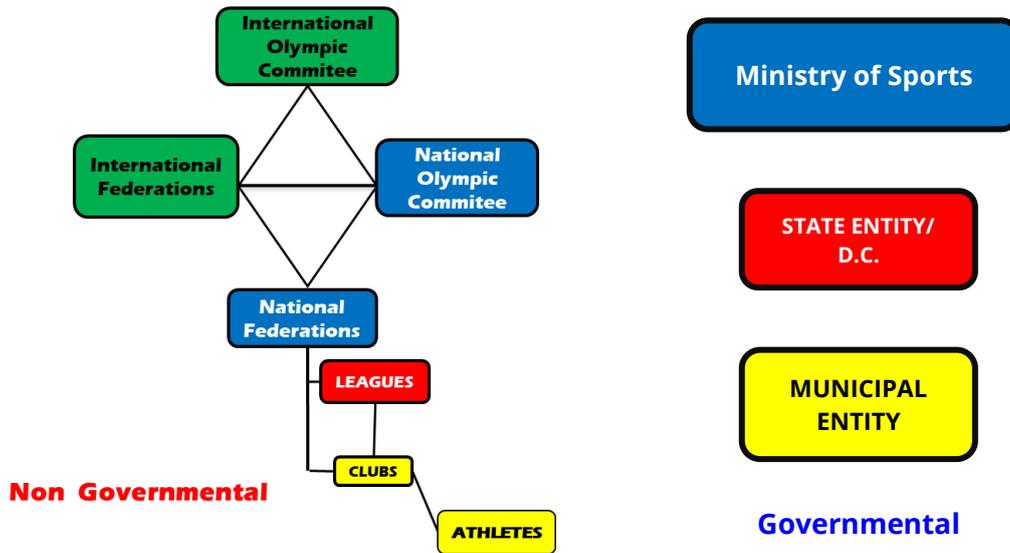
In order to understand the general context of the organisation of the Colombian National Sports System (CNSS), it is essential to underline that its structure is supported by Article 52 of the Political Constitution of Colombia, which establishes that:

“Sports and its recreational, competitive and indigenous manifestations have a pedagogic function aiming at the integral foundation of people and humanity preservation and development of health betterment. Sports and recreation are part of public education and are part of the public and social national budget. The right of all people to recreation, the practice of sports and the use of free time is recognised. The state will promote these activities and will monitor and control sports and recreational organisations whose structure and ownership have to be democratic.”

Consequently, the Colombian National Sports System (CNSS) is established by the Sports Law of 1995, where two specific sectors are identified; firstly, the non-governmental sport sector, and secondly, the sports government (public or state) sector. In the same way, the structure is established, starting from the territory level, which is hierarchically constituted at the national, departmental, district and municipal levels.

In this order of ideas, the Ministry for Sport, the departmental sports entities as well as the municipal and district sports entities belong to the public sector while the non-governmental sector is led by the Colombian Olympic Committee (COC), national sports federations (NSFs), departmental leagues, sports clubs, and professional clubs. The following chart shows the structure of the Colombian sporting landscape.

Figure 4: Institutional structure of the Colombian National Sports System (CNSS)



Source: The authors

It is relevant to mention that the operation of the Colombian National Sports System (CNSS), on the one hand, has been based on a system with horizontal power delegation, where different stakeholders should be included in different decision-making processes at different hierarchical levels. On the other hand, the CNSS is based on a chain delegation responsibilities' model, which is also stipulated by the Colombian Sports Law: Athletes create sports clubs, sports clubs create national sports leagues, national sports leagues form national sports federations, national sports federations form the Colombian Olympic Committee, and the continental and international sports federations (Arias, 2017).

## Methods

For this report, as it was laid down in the requirements of the NSGO project, five compulsory sports (athletics, football, handball, swimming, and tennis) and their respective national organisations (the Athletics Federation, Football Federation, Handball Federation, Aquatic Sports Federation, and Tennis Federation) were selected for analysis. In addition to the compulsory selection, three additional sports organisations participated in the study: the Cycling Federation, Fencing Federation and the Colombian Olympic Committee. For conducting the analysis, a research group was established composed by four principal academic researchers, two research support staff, and five research assistants.

The sample taken for the study is balanced, reporting different types of organisations according to the NSGO methodology that divides them according to the number of employees hired full time. The sample includes two large-sized organisation (Colombian Olympic Committee and Colombian Football Federation), two medium-sized federations (Colombian Cycling Federation and Colombian Tennis Federation), and four small-sized federations (Colombian Athletics Federation, Colombian Handball Federation, Colombian Fencing Federation and Colombian Swimming Federation).

Data collection was conducted in accordance with the standardised NSGO data gathering process. The federations' scores were aggregated on the basis of the standardised NSGO excel sheets.

The research team carried out the different activities determined for each of the six phases established as follows:

- Phase one (one month): Contacting the national sports federations. Selection and contact with the sports organisations was made through invitation letters signed by the president of the Colombian Olympic Committee.
- Phase two (one month): Collecting data and assigning the scores. Data was collected for each of the 274 indicators of the NSGO tool and a first preliminary score was built.
- Phase three (one month): Feedback. The research team provided feedback to the different sports organisations by conducting personal meetings.
- Phase four (one month): Data verification. Based on the feedback and documents provided by the sports organisation, the research team assigned second preliminary scores.
- Phase five (one month): Last feedback. The final feedback was carried out with organisations that requested additional time to be able to present additional documentation.
- Phase six (one month): Final scores were assigned. Final scores for the eight sports organisations were obtained after data verification was submitted in the standardised NSGO excel sheets.

It is important to mention that all the organisations participating in the study reviewed and complemented the data collected during the development of the different methodological phases. The support of the research team was constant and unconditional for correcting any deficiency for the corresponding assessment.

**Table 2: Sport, official name, and official acronym of sample federations**

<b>Sport</b>	<b>Official name</b>	<b>Official acronym</b>
Athletics	Federación Colombiana de Atletismo	FECODATLE
Football	Federación Colombiana de Fútbol	FCF
Handball	Federación Colombiana de Balonmano	FCB
Swimming	Federación Colombiana de Natación	FECNA
Tennis	Federación Colombiana de Tenis	FCT
Olympic Committee	Comité Olímpico Colombiano	COC
Cycling	Federación Colombiana de Ciclismo	FCC
Fencing	Federación Colombiana de Esgrima	FCE

## Results

In the following section, the average scores on the NSGO index for the eight Colombian sports organisations are listed, according to each of the dimensions in the NSGO tool. The average score of the eight Colombian sports organisations on the NSGO index is 45%, which corresponds to a 'moderate' label. The best assessment was obtained in the transparency dimension with a result of 53%, followed by democratic processes with 50%, internal accountability and control with 48%, and lastly, societal responsibility with 27%.

### Dimension 1: Transparency

The sports organisations in this analysis show a 'moderate' NSGO average index score of 53% on the transparency dimension.

On principle 1 relating to the publication of legal and policy documents, the Colombian sports organisations achieved an average score of 65%, and for principle 2 regarding the publication of the agenda and the minutes of general assembly meetings they scored 66%.

The Colombian sports organisations achieved the lowest score on principle 3 regarding the publication of the executive committee's decisions (25%). Also, the Colombian sports organisations obtained a low average score for principle 4 regarding the publication of information about the executive committee members on their websites with an average score of 50%.

Average scores highlighted in individual NSGO indicators in the transparency dimension:

#### Strengths

- 100% of the Colombian sports organisations studied provide their internal statutes and regulations to their key stakeholders via email or at the membership section of their websites.
- 86% of the Colombian sports organisations studied make the sports rules available to their key stakeholders via email or at the membership section of their websites.
- 100% of the Colombian sports organisations studied provide the agenda of the general assembly to key stakeholders via email or by using a protected section on their websites. In addition, agendas contain the list of topics to be discussed and specify which items will be voted on.
- 88% of the Colombian sports organisations studied provide the minutes of the general assembly meetings to key stakeholders via email or by using a protected section on their websites.
- 88% of the Colombian sports organisations studied publish a contact email address on their websites.
- 88% of the Colombian sports organisations studied publish the list of the executive committee members on their websites.
- 100% of the Colombian sports organisations studied establish, through the executive committee, formal internal procedures to warrant the presentation of accurate reports within the framework of the annual report.

- 88% of the Colombian sports organisations studied provide financial information (including income and expenses data) in the annual reports.
- 75% of the Colombian sports organisations studied include executive committee members' payments, remuneration, bonuses, or additional benefits in the annual report.

### Weaknesses

- 13% of the Colombian sports organisations studied provide a multi-year policy plan on their websites.
- 0% of the Colombian sports organisations studied publish and make retrievable the minutes of the last general assembly meeting on their websites.
- 13% of the Colombian sports organisations studied publish and make retrievable the minutes of all executive committee meetings (taking place during the last 12 months) on their websites.
- 25% of the Colombian sports organisations studied provide information about decision making processes in the public versions of the minutes from executive committee meetings.
- 25% of the Colombian sports organisations studied publish information about previous mandates of their board members on their websites.
- 25% of the Colombian sports organisations include information on the number of affiliated athletes on their websites.
- 13% of the Colombian sports organisations studied publish and make retrievable the most recent annual reports on their websites.

## Dimension 2: Democratic processes

The Colombian sports organisations achieved a 'moderate' score on the democratic processes dimension of 50%.

In particular, Colombian sports organisations achieve positive average scores on principle 8 regarding clear procedures and voting rules for executive committee elections (97%) and on principle 11 regarding establishing quorums in their bylaws for the executive committee and the general assembly (75%). Likewise, the general assemblies of the organisations represent all the affiliated members and meet at least once a year (principle 13, 78%).

Principle 20 regarding the implementation of a gender equality policy received the lowest score (8%). In addition, the organisations registered a low average score (13%) on principle 18 regarding ensuring the participation of volunteers in their policy-making processes.

Average scores highlighted in individual NSGO indicators in the democratic processes dimension:

### Strengths

- 100% of the Colombian sports organisations studied have clear internal statutes and regulations for the election of executive committee members, convocation and renewal of seats.
- 100% of the Colombian sports organisations studied establish a quorum for the general assembly in their statutes.
- 75% of the Colombian sports organisations studied establish term limits for executive committee members in their statutes.
- 100% of the Colombian sports organisations studied establish in their statutes that the general assembly must meet at least once a year.
- 88% of the Colombian sports organisations studied establish in their statutes or internal regulations that the executive committee must meet at least five times per year.
- 88% of the Colombian sports organisations studied establish specific procedures for decision making in the internal regulations of the bodies.
- 100% of the Colombian sports organisations studied involve employees in the policies, plans and programmes construction.

### Weaknesses

- 25% of the Colombian sports organisations studied have documents for establishing vacancy profile descriptions and evaluations.
- 0% of the Colombian sports organisations studied specifically establish that the executive committee president cannot act as nominating committee president.
- 0% of the Colombian sports organisations studied establish in their statutes or internal regulations that at least one member of the nominating committee should not be a member of the executive committee or an employee of the organisation and add to the tasks of the nominating committee to evaluate the candidacies for executive committee membership appointment.
- 13% of the Colombian sports organisations studied establish in their statutes or internal regulations a minimum quorum of 75% for executive committee decision making.
- 25% of the Colombian sports organisations studied have a formal (written) policy describing the objectives and specific actions aimed at involving coaches in their policy processes.
- 25% of the Colombian sports organisations studied have a formal (written) policy describing specific actions for gender equal access promotion and representation at all stages of the decision-making process of the organisation.

## Dimension 3: Internal accountability and control

The Colombian sports organisations show a 'moderate' average NSGO score of 48% on the internal accountability and control dimension.

On the one hand, the surveyed Colombian sports organisations showed a very good average score on principle 24, which is related to power separation in their governance structures (85%). In parallel to this, principles regarding the existence of financial committees and internal audits (principle 26, 71%), financial auditing by an independent auditor

(principle 29, 75%), and regulations stating that the organisations' decisions can be challenged through internal or external mechanisms (principle 33, 71%) received a 'good' score.

On the other hand, internal accountability principles related to statutory definitions such as board resignation procedures (principle 22, 38%), executive committee membership eligibility rules (principle 23, 31%), and appropriate conflicts of interest procedures (principle 31, 19%) have shown 'not fulfilled' or 'weak' results.

Average scores highlighted in individual NSGO indicators in the internal accountability and control dimension:

### **Strengths**

- 100% of the Colombian sports organisations studied define job duties and responsibilities for executive committee members.
- 88% of the Colombian sports organisations studied also establish a specific purpose for the standing committees.
- 88% of the Colombian sports organisations studied establish in their statutes or internal regulations that the final authority over the budget and the organisation's finances is the executive committee while the administration oversees the operational arrangements.
- 100% of the Colombian sports organisations studied mandate the existence of an independent financial audit committee, functioning rules and membership designation from the general assembly in their bylaws.
- 75% of the Colombian sports organisations surveyed allow financial reports and accounting records to be reviewed by independent and officially approved auditors.
- 88% of the Colombian sports organisations surveyed establish procedures in their statutes or internal regulations that allow athletes, coaches, referees, delegates, and clubs to appeal against a sporting sanction.

### **Weaknesses**

- 25% of the Colombian sports organisations studied include long-term financial planning in their multi-annual policy plans.
- 0% of the Colombian sports organisations studied report early resignation procedures for executive committee members in case of conflicts (such as incompatible views).
- 25% of the Colombian sports organisations studied define the circumstances where due to a conflict of interest, persons cannot be eligible to serve as member of the executive committee in their statutes.
- 13% of the Colombian sports organisations studied establish an annual evaluation of the administrative personnel and have internal systems for measuring individual performance and establish public reports for the evaluation meetings.

## Dimension 4: Societal responsibility

The surveyed Colombian sports organisations achieved a ‘weak’ average score of 27% on the societal responsibility dimension.

The Colombian sports organisations achieved a ‘moderate’ average score on principle 38 related to implementing an anti-doping policy (56%).

Altogether, the principles in this dimension achieved low average scores. For instance, principle 35 related to sports management or sport governance consultancy offerings from national sports federations to members scored only 16%. An even lower score was determined for principle 41 regarding a gender equality policy (13%).

Average scores highlighted in individual NSGO indicators on the societal responsibility dimension:

### Strengths

- 75% of the Colombian sports organisations studied have a formal (written) policy that outlines objectives and specific actions aimed at preventing, detecting, and combating doping practices.
- 50% of the Colombian sports organisations studied have a designated staff member who formally acts as a single point of contact and is responsible for all matters regarding combating doping in sport.

### Weaknesses

- 13% of the Colombian sports organisations studied have a formal (written) policy that describes specific objectives and actions aimed at mitigating the health risks of sports activities.
- 0% of the Colombian sports organisations studied have a designated staff member who formally acts as the point of contact and is responsible for all matters related to the health risks of sports activities.
- 25% of the Colombian sports organisations studied have a formal (written) policy that outlines objectives and specific actions aimed at combating sexual harassment in sport.
- 38% of the Colombian sports organisations studied have a formal (written) policy that outlines objectives and specific actions aimed at improving the social, cultural, educational, or psychological circumstances of marginalised and/or fractured communities through sport.
- 25% of the Colombian sports organisations studied establish procedures for processing complaints about discrimination in their statutes or internal regulations.
- 29% of the Colombian sports organisations studied have a document that establishes the minimum requirements for standard athlete contracts.

## Discussion and policy implications

The average score on the NSGO index for the eight Colombian sports organisations is 45%, which corresponds to a 'moderate' label. Although these organisations score well in certain areas, there is significant room for governance improvement.

Firstly, within the transparency dimension where a moderate 53% score was obtained, the Colombian sports organisations list among their main strengths the publication of the organisation bylaws, the executive committee members' information, and basic information about affiliated clubs, leagues, and athletes on their website. However, different strategic improvements should be established regarding the design and publication of the multi-annual reports. Similarly, improving the accessibility and visibility of information related to executive committee meeting minutes, annual management reports, and management related documents on the organisations' websites is needed.

Secondly, regarding the dimension of democratic processes, the organisations achieved moderate results with an average rating of 50%, which illustrates the effects of legal provisions contained in Decree 1085 of 2015 and Decree 1228 of 1995 (commonly known as Sports law). Indeed, this result is achieved mostly because the sports federations' executive committees regularly apply national regulations regarding democratic election processes, in accordance with clear procedures, which are consigned in the internal regulations. Nevertheless, the positive result is not reflected in the rest of the dimension principles. In fact, several improvements can be made regarding the general lack of participation of athletes, referees, coaches, volunteers, and employees at the national federations' internal bodies as well as regarding gender equality actions directed at generating gender balanced representation in all stages of the decision-making process.

Thirdly, regarding the dimension of internal accountability and control, the organisations achieved moderate results with an average rating of 48%. Generally, the Colombian sports organisations surveyed guarantee the establishment of general assembly and executive committee members' responsibilities. Likewise, these responsibilities are stipulated within the statutes of the organisations. Additionally, the organisations have established internal regulation procedures through internal policies aiming at preserving the separation of power through permanent standing commissions or committees. In fact, due to legal regulations, every Colombian sports organisation that are a part of the CNSS is required to have a financial control system and external finance auditing. On the other hand, most organisations lack self-evaluation processes and specific regulatory procedures regarding conflicts of interest. This shows that Colombian national sports federations should direct efforts to improve their governance structures and processes based on internal accountability best practices.

Lastly, while analysing the fourth NSGO dimension – societal responsibility – it is noticeable that the Colombian sports organisations must work upon improving the 27% average score. Indeed, in this specific dimension all national federations obtained their lowest ratings. In particular, much of these weak results can be explained by the lack of governance

and management consulting services that national sports federations offer their members. Also, a general finding of the study underlined the lack of implementation of social responsibility policies and actions directed to mitigate health risks in sport. Additionally, only two sports organisations have a contact point specifically working on issues related to combating sexual harassment, discrimination, and match-fixing, and promoting social inclusion, gender equality, and environmental sustainability in sport practices and competitions. The Colombian sports federations studied only achieved good results in the implementation of an anti-doping policy, which is required by the World Anti-Doping Agency (WADA), the International Olympic Committee and the international sports federations.

Based on the results found in this study, it is important to go beyond their mere description and set an improvement plan proposal for Colombian sports organisations to truly understand adequate transparency, democracy, accountability and social responsibility processes as essential bases for national sports practice and promotion.

Therefore, it is important to underline that the Colombian sports organisations obtained 'good' scores on the principles where legal rules are stipulated by the national sports law. In the same way, some of the Colombian sports organisations analysed in this study have implemented the guidelines issued by their leading international federations, which has served as an example to embrace good governance best practices.

Finally, another aspect to be underlined from the NSGO study implementation is the fact that the Colombian national sports organisations surveyed are now aware of the need for designing and implementing a governance improvement plan framed in establishing strategies and projects for short-, medium- and long-term. The aim of this governance improvement plan has to be to structure solid, clear, democratic, inclusive, honest, and efficient sports organisations entirely devoted to promoting the values of sports within Colombian society.

## References

Arias, A. M. (2017) "La Gobernanza en el Deporte: La Legitimidad en la Federación Deportiva de Esgrima". Colombia.

IOC (2008) "Basic Universal Principles of Good Governance". Retrieved from:  
[https://stillmed.olympic.org/Documents/Conferences\\_Forums\\_and\\_Events/2008\\_seminar\\_autonomy/Basic\\_Universal\\_Principles\\_of\\_Good\\_Governance.pdf](https://stillmed.olympic.org/Documents/Conferences_Forums_and_Events/2008_seminar_autonomy/Basic_Universal_Principles_of_Good_Governance.pdf)

Colombian Congress (1993) "Ley 49 de 1993" Regimen Disciplinario en el Deporte. Bogotá, Cundinamarca, Colombia: Diario Oficial.

Colombian Congress (1995). "Ley 181 de 1995". Bogotá, Cundinamarca, Colombia.  
COLDEPORTES. (2015). "Informe de Gestión 2015". Bogotá: N/A.

Giraldo, I. C., Castellanos, C., Ordoñez, N., Colorado, A. A., Arias, A. M., & Hernández Londoño, M. (2019). "Pacto por la Gobernanza y la Transparencia en el Deporte Asociado Colombiano" Bogotá, Cundinamarca, Colombia: Comité Olímpico Colombiano.

Gómez, F. (2017). Constitución Política de Colombia - Anotada. Bogotá, Colombia: UniAcademia LEYER.

Colombian Ministry for Sport (2018). Mindeporte. (D. Oficial, Ed.) Retrieved from:  
[http://www.nuevaleislacion.com/files/susc/cdj/conc/cext\\_coldep\\_4\\_18.pdf](http://www.nuevaleislacion.com/files/susc/cdj/conc/cext_coldep_4_18.pdf)

UNESCO. (2015) "Carta Internacional de la Educación Física, la Actividad Física y el Deporte 2015". Bogotá: COLDEPORTES.

# NATIONAL SPORTS GOVERNANCE OBSERVER

## COUNTRY REPORT: GEORGIA

## Key results: Georgia

Figures 1, 2 and 3 show Georgia’s main NSGO scores. Table 1 summarises the surveyed federations’ principle scores by showing their corresponding labels.

Figure 1: Georgia’s overall NSGO index score

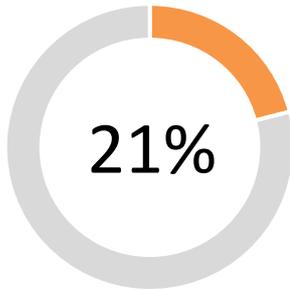


Figure 2: Georgia’s scores on the four NSGO dimensions

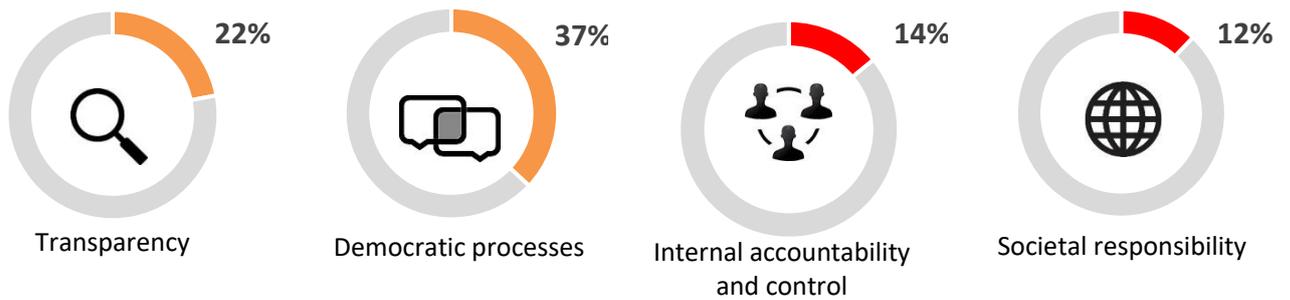
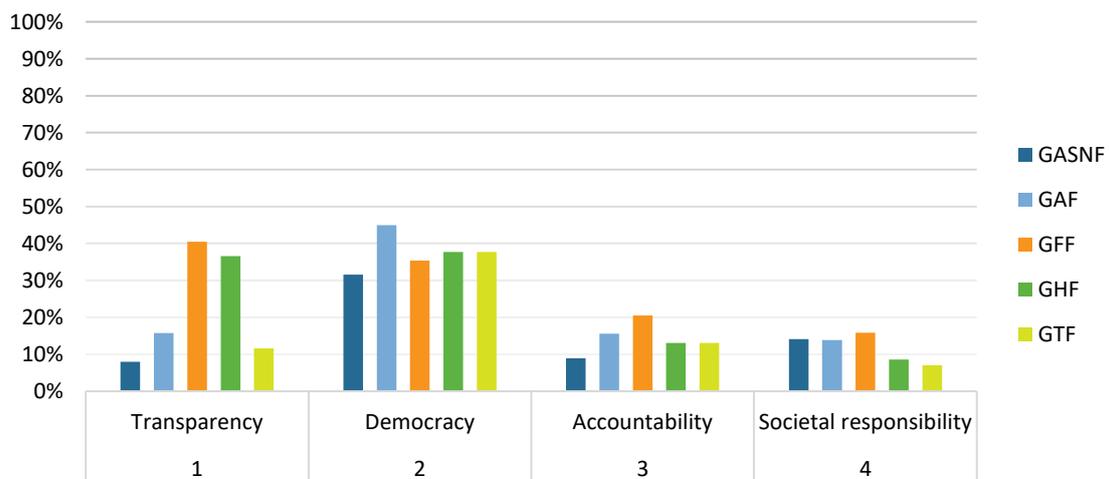


Figure 3: The surveyed Georgian sport federations’ scores on the four NSGO dimensions



See table 3 for the federations’ full names.

**Table 1: The surveyed Georgian federations' scores on the 46 NSGO principles**

	Principle	GASNF	GAF	GFF	GHF	GTF
Transparency	1. Legal and policy documents	Not fulfilled	Weak	Weak	Good	Very good
	2. General assembly	Weak	Weak	Very good	Weak	Weak
	3. Board decisions	Not fulfilled	Not fulfilled	Good	Weak	Not fulfilled
	4. Board members	Not fulfilled	Not fulfilled	Not fulfilled	Very good	Not fulfilled
	5. Athletes and clubs	Not fulfilled	Not fulfilled	Good	Good	Not fulfilled
	6. Annual report	Not fulfilled	Not fulfilled	Very good	Not fulfilled	Not fulfilled
	7. Remuneration	Not fulfilled				
Democratic processes	8. Elections of board members	Good	Good	Very good	Good	Very good
	9. Policy for differentiated board	Not fulfilled	Not fulfilled	Good	Very good	Not fulfilled
	10. Nomination committee	Not fulfilled				
	11. Quorums	Good	Good	Good	Good	Good
	12. Term limits	Weak	Weak	Weak	Weak	Very good
	13. Member representation	Good	Very good	Good	Good	Good
	14. Regular board meetings	Good	Good	Good	Weak	Weak
	15. Athletes' participation	Very good	Very good	Not fulfilled	Not fulfilled	Not fulfilled
	16. Referees' participation	Not fulfilled	Weak	Very good	Very good	Not fulfilled
	17. Coaches' participation	Weak	Weak	Not fulfilled	Very good	Not fulfilled
	18. Volunteers' participation	Not fulfilled				
	19. Employees' participation	Not fulfilled	Good	Not fulfilled	Good	Good
	20. Gender equality policy	Not fulfilled				
Internal accountability	21. Supervision of board	Not fulfilled	Very good	Very good	Not fulfilled	Weak
	22. Board resignation procedures	Not fulfilled	Good	Very good	Very good	Very good
	23. Board eligibility rules	Very good	Very good	Very good	Very good	Not fulfilled
	24. Clear governance structure	Weak	Very good	Very good	Very good	Good
	25. Supervision of management	Very good	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled
	26. Audit committee	Not fulfilled	Not fulfilled	Very good	Very good	Not fulfilled
	27. Financial controls	Not fulfilled	Not fulfilled	Not fulfilled	Very good	Not fulfilled
	28. Board self-evaluation	Not fulfilled				
	29. External audit	Not fulfilled	Not fulfilled	Not fulfilled	Very good	Not fulfilled
	30. Code of conduct	Not fulfilled				
	31. Conflict of interest procedures	Not fulfilled	Not fulfilled	Very good	Very good	Not fulfilled
	32. Complaint procedure	Not fulfilled	Not fulfilled	Very good	Very good	Not fulfilled
	33. Appeal procedure	Not fulfilled	Not fulfilled	Very good	Very good	Not fulfilled
	34. Board meeting schedule	Not fulfilled				
Societal responsibility	35. Governance consulting	Very good	Not fulfilled	Very good	Not fulfilled	Very good
	36. Mitigating health risks	Very good	Good	Not fulfilled	Not fulfilled	Very good
	37. Combating sexual harassment	Not fulfilled				
	38. Anti-doping	Not fulfilled	Weak	Not fulfilled	Very good	Not fulfilled
	39. Social inclusion	Not fulfilled				
	40. Anti-discrimination	Not fulfilled				
	41. Gender equality	Not fulfilled	Not fulfilled	Weak	Not fulfilled	Not fulfilled
	42. Anti-match-fixing	Not fulfilled				
	43. Environmental sustainability	Not fulfilled				
	44. Dual careers	Not fulfilled				
	45. Sport for all	Good	Very good	Very good	Not fulfilled	Very good
	46. Athletes' rights	Not fulfilled				

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

## Overview

This chapter benchmarks the implementation of the NSGO good governance principles in the five Georgian sports organisations responsible for athletics, football, handball, swimming, and tennis. The standardised NSGO methodology was applied in the present study. The data gathering took place from October to December 2018. All federations except the Georgian Football Federation (GFF) kindly cooperated with the project team. GFF refused to provide any data related to the application of good governance principles. Respective data on GFF's performance was collected through public sources.

Thanks to the Council of Europe<sup>22</sup> and the Enlarged Partial Agreement on Sports (EPAS) for the financial support that made it possible to conduct the NSGO study in Georgia. The support was provided based on the Act of Engagement (Contract No. CC.DGII.430.2018) between the CoE and the Georgian Strategic Analysis Centre of Georgia, which is an exclusive external partner of the project coordinators – Play the Game / Danish Institute for Sports Studies.

The average NSGO index of the Georgian federations is 21%, which constitutes a 'weak' score according to the scale of the project. The highest average score among the four dimensions is achieved in democratic processes (36%), followed by 21% in transparency. The average scores achieved in internal accountability and control (14%) and societal responsibility (12%) are labelled as 'not fulfilled'.

The federations achieved better results in the good governance principles associated with areas of government regulation, especially Law on Sport and the Civil Code as well as by-laws adopted by the ministry responsible for sport. Yet, as the scores suggest there is enough space in Georgia for progress in the area of good governance and a need to address the shortcomings.

The structure of the report includes chapters that will describe and discuss:

- The context of good governance in sport and its place on the agenda of the Georgian government
- The sports system in Georgia, devoting specific attention to the legal and political framework of sports regulation
- Governance-related policies that are being implemented in sports
- Methods and data gathering process
- The findings of the study, focusing on the federations' strengths and weaknesses in terms of the four NSGO dimensions

---

<sup>21</sup> Co-Founder and CEO, 'Sport for Development - Georgia', Tbilisi

<sup>22</sup> The views and opinions expressed in this report are those of the author and do not necessarily reflect the official policy or position of the Council of Europe, the Enlarged Partial Agreement on Sport (EPAS) or Play the Game.

- Summary of the main findings and outlook regarding good governance in Georgian sports.

## Context

Sport is more than just a game ... The European Sport Charter<sup>23</sup> defines sport as “all forms of physical activity which, through casual or organised participation, aim at expressing or improving physical fitness and mental well-being, forming social relationships or obtaining results in competition at all levels”. Sport is a unique tool that can significantly contribute to social, economic and human capital development. The United Nations’ Sustainable Development Goals (SDGs) acknowledge sport as an important enabler of sustainable development and peace<sup>24</sup>.

At national, regional and community level sports organisations (federations, associations, unions) are expected to deliver the benefits of sport to the society in return for public funding and support. On this path, the major challenges are corruption<sup>25</sup> and mismanagement in sports organisations. Problems in the governance of sports organisations have spurred action on many fronts<sup>26</sup>. In order to safeguard sports integrity, the international community and public actors have increased their efforts for better sport governance. The recommendations of the Council of Europe to its member states on the principles of good governance in sport (2005), Basic Universal Principles of Good Governance of the Olympic and Sport Movement (2008), Recommendations of the EU Experts Working group on the Principles for Good Governance of Sport in the EU (2013), European Parliament resolution on an integrated approach to sport policy: good governance, accessibility and integrity (2017) all serve as good examples of the stakeholders’ endeavour to promote good governance in sport.

“Implementing good governance enhances organisations’ legitimacy, effectiveness, and resistance to unethical practices. It therefore enables sport federations to build trust with governments, stakeholders, and potential commercial partners. This, in turn, enhances the autonomy of sports organisations. That is, if relevant principles are implemented adequately.”

(Geeraert, 2017)<sup>27</sup>.

Promotion of good governance in sport is a key issue for the Georgian government. One of the priorities of the ‘Anti-Corruption National Strategy’ is prevention of corruption in sport. Along with the activities aiming at the fight against manipulation of sports competitions, the ‘Anti-Corruption Action Plan 2017-2018’ includes activities that aim to promote

---

<sup>23</sup> Recommendation No. R (92) 13 REV on the revised European Sports Charter. Committee of Ministers, Council of Europe. 16 May 2001.

<sup>24</sup> Kazan Action Plan, Sixth International Conference of Ministers and Senior Officials Responsible for Physical Education and Sport (MINEPS VI), held in Kazan. 13-15 July 2017.

<sup>25</sup> For more information visit INTERPOL’s dedicated webpage: <http://bit.ly/2DZYnyd>

<sup>26</sup> “Global Corruption Report: Sport”, Transparency International. Published 23 February 2016. <http://bit.ly/2b8zjuB>

<sup>27</sup> Geeraert, A. (2017). National sports governance observer. Indicators for good governance in national federations. Play the Game / Danish Institute for Sports Studies.

good governance in sport organisations, namely: Supporting implementation of good governance principles by sports organisations and development of the system.

The incorporation of sports integrity issues into the Anti-Corruption Strategy and the Action Plan could be linked to the recommendations elaborated by the EPAS Consultative Committee visit to Georgia in 2014 and the political commitment of the Georgian government that signed the Council of Europe 'Convention on Manipulation of Sports Competitions' (18 September 2014, Macolin/Magglingen). The EPAS consultative visit covered the organisation of sport in Georgia in the light of the European Sports Charter. In the report, the team recommended to the Georgian authorities to define minimum standards on good governance, democracy, transparency and accountability for sport organisations and to monitor compliance with those standards from at least those sports federations benefiting from state support programmes (EPAS (2015) rev1).

It could be said that the authorities of Georgia have implemented the EPAS recommendations by launching a new system of distribution of public grants between sports organisations. This system considers the evaluation of the implementation of good governance standards by sports organisations. This system is described in detail in the chapter below – 'Governance-related sports policies and regulations'.

Fostering good governance in sport is also on the agenda of the legislative authorities. Specifically, the newly elaborated Strategy and Action Plan for 2018-2020 of the Sports and Youth Affairs Committee of the Parliament of Georgia sets the promotion of good governance in sport as a thematic priority of its activities. The strategy underlines the possible role of the Committee to support the coordination of stakeholders' activities and to pave the way for reforms and initiatives in the field. The Action Plan includes activities that consider the elaboration of specific measures to support the application of good governance principles by sports organisations (analysis, recommendations, draft legislation).

It should be mentioned that both the Ministry of Education, Science, Culture and Sport (MESCS) and the Parliamentary Committee on Sports and Youth Affairs of Georgia expressed their keen interest toward the NSGO study in Georgia.

## The sports system

The situation of sport in Georgia reflects the situation of countries in transition. Since the beginning of the 1990s, significant steps have been successfully achieved to establish a new structure and organisation of the authorities, to organise the sports movement, to set new rules on the property and management of sport facilities, and to promote the development of civil society (EPAS (2015) rev1).

The public authorities in Georgia play an active role and are highly engaged in the regulation of sport, especially at the national level. The Constitution of Georgia states: "The state shall take care of the development of sports, establishing a healthy lifestyle, and engaging children and youth in physical education and sports" (Article 5, Social State). Referring to the types of sport policy systems described in VOCASPORT Research Group (2004, pp. 53-

61) and Henry (2009) we could describe the Georgian sports system as the “*bureaucratic configuration*”.

In 2013, the government established the State Interagency Co-ordination Council in order to promote closer cooperation between the ministries in the field of sport policy. Later on, as a result of the work of the Council, the government adopted the ‘State’s Sports Policy Document 2014-2020’, which explores mid- and long-term policy priorities including the development of the state’s governance system in sport. The short-term policy priorities in the field could be found in the governmental programme for 2018-2020 ‘Freedom, Rapid Development and Welfare’.

The leading agency for ensuring the implementation and promotion of sport policy at the national level is the Ministry of Education, Culture and Sport (MESCS). Other key stakeholders are municipal authorities, the State University of Physical Education and Sport, the National Olympic and Paralympic Committees, and sports organisations (unions, federations).

The roles and responsibilities of the stakeholders are mainly defined in the Law on Sport, which was adopted in 1996. According to the law, a national sports federation (union, association) is a non-entrepreneurial (non-commercial) legal entity that is established according to the ‘Civil Code of Georgia’. Sports federations are responsible for the development of particular sports and based on an agreement could cooperate with the ministry responsible for sport.

There are hundreds of sports organisations registered in Georgia<sup>28</sup> (NAPR, 2018). MESCS cooperates only with 82 federations that are recognised (fulfilling particular written criteria) by the ministry. Being recognised refers to the possibility of receiving public grants from the state. There are 56 out of 82 sports federations that are receiving public finances through the MESCS. The researcher was unable to find out any formal (written) rules or standards for the recognition or distribution of public funds that are applied by the local municipalities with regard to regional federations or local sports clubs.

The Georgian National Olympic Committee (GNOC) is responsible for the coordination of the Olympic movement in Georgia and has an exclusive authority for the representation of the country at the Olympic Games and other competitions organised under the aegis of the International Olympic Committee. GNOC is responsible for selecting the national Olympic team and ensuring its participation in international competitions. The GNOC cooperates with the MESCS and sports organisations. The same could be said about the Georgian National Paralympic Committee (GNPC), which is responsible for the coordination of the Paralympic Movement in Georgia and setting up the respective national team. It also cooperates with the MESCS and sport organisations.

---

<sup>28</sup> Business registry of entrepreneur/legal entities. Official website of the National Agency for Public Registry of Georgia (NAPR).

## Governance-related sports policies and regulations

There are 56 out of 82 recognised sports federations being funded from the state budget in Georgia through the Ministry of Education, Science, Culture and Sport (MESCS). The ministry supports the federations through a number of target programmes, such as the 'State's support programme for rugby', the 'State's support programme for mass sports development', and the 'Programme for sports development'. The number of programmes and their budgets are solely depending on governmental priorities and decisions.

The majority of the national sports organisations are significantly depended on public funds. The proportion of the state's subsidies in their annual budgets may reach 80-95%. In 2017, the state funds provided to sports organisations totalled 124,085,000 GEL ( $\approx$ 41,362,000 EUR)<sup>29</sup>. In 2018, the government expected to spend GEL 124,600,000.00 ( $\approx$ 41,534,000 EUR) with the aim of supporting sport development. The largest 'receivers' of the state funding are the rugby union, the basketball federation, the football federation, the judo federation, the wrestling federation, the aquatics sports federation, and the handball federation. The public spending on sport has been almost tripled since 2012. For the ease of reference, in 2017-2018 the overall state budget of Georgia came close to 12 billion GEL ( $\approx$  4 billion EUR).

In 2015, the MESCS (the then Ministry of Sport and Youth Affairs) introduced a set of measures to ensure rational distribution and efficient use of the state's funds by sports organisations. To this end, the 'Council on recognition and funding of sport organisations' was established, and the 'Standards for distribution of grants for sports organisations' were introduced. The council, chaired by the minister and supported by the secretariat, is a consultative body which consists of ten members, including representatives from executive and legislative authorities responsible for sport as well as the National Olympic and Paralympic Committees. One of the key objectives of the body is to evaluate the performance of sports organisations according to pre-defined standards (criteria) and submit to the minister a joint proposal on the size of the grant for a particular organisation. The funds are allocated in the ministry's budgetary programme 'Sports Development' and are available for all recognised federations.

The set of standards for distribution of grants, approved by the MESCS, incorporates five dimensions (clusters) that are a) social interest toward sport, b) popularity and traditions of sport, c) achievements and perspectives for success, d) **good governance**, and f) engagement/participation. Each cluster is attributed with the standards/criteria to be applied by the sports organisations. The application of the standards is evaluated by the council (each calendar year in September-November) based on information provided by sports organisations. Depending on the extent of application of the principles, the state's support for the next calendar year might increase or decrease.

The good governance dimension has a significant share of the overall evaluation of the performance of the sports organisations. It is worth mentioning that good governance criteria

---

<sup>29</sup> Georgia's State Budget for 2017, 2018; Program code "Supporting measures for sport development"

are also applied by the council while considering applications for recognition of a sports organisation. Table 3 shows values (share) attributed to each dimension in the overall evaluation of different types of sport organisations.

**Table 2: Value of dimensions in evaluation process, set of standards for distribution of public funds**

Type of sport organisation	Dimensions of evaluation	Value of dimension, %
Team sports, individual sports and umbrella sports organisations	Social interest toward sport	15
	Popularity and traditions of sport	15
	Achievements, perspectives for success in sport	30
	<b>Good Governance</b>	<b>25</b>
	Engagement/participation	15
Mass sports (sport for all) organisations	Popularity and traditions of sport	15
	<b>Good Governance</b>	<b>25</b>
	Engagement/participation	60
Committees	Achievements, perspectives for success in sport	30
	<b>Good Governance</b>	<b>70</b>
Other sports organisations	Social interest toward sport	20
	<b>Good Governance</b>	<b>80</b>

According to the explanations (MESCS, 2018) good governance is applied for the evaluation of internal administration and general management of an organisation. The evaluation of good governance is based **on the following standards/criteria** (MESCS, 2018): Statutes and organisational framework, short and long-term development strategy/action plan, quarter and annual reports, certification of coaches and referees, collection and analysis of statistics, promotion of sport (advertisement and PR campaigns), fight against doping, violence and discrimination, consideration of gender equality issues, and existence of alternative financial sources (private sponsorships, non-governmental donors).

Since launching the new system of distribution of state grants by the MESCS in 2015, it is possible to observe and analyse advantages and needs for improvement of the system. Considering the scope of our report, below we will sum up outcomes and the impact of the system on promotion of application of good governance in Georgian sport.

The application of the criteria of good governance as a tool for evaluation of sports organisations underscores the importance that the Georgian authorities attach to the issue. Mainstreaming good governance in sport through political and legal documents creates the ground for a systematic and structural approach by the stakeholders.

**The strengths of the current approach are**

- Existence of the government’s commitment towards good governance in sport
- Existence of demand for application of the good governance criteria in return for public grants

- Transparency of the system, public availability of the principles and scores gained by sports organisations
- Possibility for individual consultations (per organisation) seeking for clarification of the scores
- Awareness rising and maintaining spotlight forces application of good governance standards by sports organisations
- Commitment for systematic accountability of sports federations
- Commitment for systematic long-term activity planning of sports federations
- Prioritisation and indication of importance of societal responsibility of sport (integrity, gender equality).

Based on the conclusions of the present research and interviews with the federations, stakeholders might consider the needs and shortcomings below for possible improvement of the current system and further advancement of good governance in sport.

- Need for elaboration of more detailed guidance and instructions on the practical application of the principles of good governance. More incentives are needed to raise awareness of sports organisations on good governance.
- Lack of MESCS's human resources for ensuring in-depth analysis of good governance applications by sports federations. While performing the evaluation the MESCS mostly rely on the information provided by the federations, which raises concerns about the objectivity of the data.
- Lack of external control or monitoring of the application of good governance criteria
- Need for elaboration of clear principles and measurable indicators: The current standards/criteria of good governance are very general by nature and create space for different interpretations by sports federations. Sometimes these interpretations are contradictory and create confusion between stakeholders. There is an urgent need to elaborate very clear good governance principles and attribute them with measurable indicators for a more unbiased evaluation
- In most cases, sports organisations draft activity reports and elaborate long-term action plans just in order to fulfil requirements under the good governance dimension. There is a lack of understanding of the importance of having and implementing strategic documents from sports organisations. This could be supported by an example – while performing the NSGO research, all of the targeted federations have submitted annual reports and strategic developments plans to the MESCS, but none of them had published the documents on their websites or distributed them within the internal community. Another example is that none of the federations exercise monitoring or evaluations of the activities under the action plan. In most cases there are no budgets defined for the actions.

- The system lacks capacity building opportunities and resources for sports organisations in general. On the other hand, there are no supporting mechanisms (incentives) available for sports organisations wishing to advance and apply more criteria under the good governance dimension.
- Need for development and integration of the good governance approach into the work of local municipalities. There is no demand for minimum standards of good governance for regional sports organisations benefiting from local authorities' financial support.
- Taking into account the government's commitment to promoting good governance in sport and the keen interest of the MESCS towards the NSGO project, it is expected that public authorities will take advantage of the present report and implement measures aiming at improving the current system.

## Methods

There are 82 sports federations that are recognised by the Ministry of Education, Science, Culture and Sport (MESCS). As it was laid down in the requirements of the NSGO project, the five compulsory sports – athletics, football, handball, swimming, and tennis – and their respective national organisations – Athletics Federations, Football Federation, Handball Federation, Aquatic Sports Federation, and Tennis Federation – were selected for analysis. The compulsory set was defined by the NSGO developers in order to enable the collection of comparative data. The sample is balanced, as it includes two small-sized and two mid-sized federations as well as one large federation (see table 3).

**Table 3: Sport, official name, and official acronym of sample federations, number of paid employees**

Sport	Official Name	Official acronym	Number of paid employees	State funding, 2017 (in GEL)	State funding, 2018 in (GEL)
Athletics	Georgian Athletics National Federation	GAF	10 or more but less than 30	350,000 (≈ € 117,000)	500,000 (≈ € 167,000)
Football	Georgian Football Federation	GFF	More than 30	6,700,000 (≈ € 2,233,000)	6,700,000 (≈ € 2,233,000)
Handball	Georgian National Handball Federation	GHF	10 or more but less than 30	1,100,000 (≈ € 367,000)	1,300,000 (≈ € 433,300)
Swimming	Georgian Aquatics Sports National Federation	GASNF	Less than 10	1,700,000 (≈ € 567,000)	2,500,000 (≈ € 833,300)
Tennis	Georgian Tennis Federation	GTF	Less than 10	500,000 (≈ € 167,000)	600,000 (≈ € 200,000)

Data collection was conducted in accordance with the standardised NSGO data gathering process from October to December 2018. The federations' scores were aggregated on the basis of the standardised NSGO score sheets. The indicators deemed not applicable correspond with the standard NSGO indicators not applicable for small and mid-size federations.

**Phase 1** (October 2018). Contacting the national sports federations. The selected organisations were informed of the content and the process of the research. A public event where all relevant information about the project was publicly presented took place on 9 October 2018 at the premises of the Georgian Strategic Analysis Centre. The event received public attention and gathered representatives from the authorities, including high-rank officials, sports federations, universities, and local media. On this stage all the federations appointed a contact person to help the researcher with gathering information.

**Phase 2** (October-November 2018). Collecting data and assigning the scores. The researcher conducted desk research in the form of studying publicly available documents of the sports federations. At this stage, the researcher received the Georgian Football Federation's notice

that the federation would not cooperate with the project. Despite the number of attempts and communication the GFF did not change its position, explaining that it is already participating in the UEFA-led good governance project.

**Phase 3** (November 2018). Feedback. The researcher conducted interviews with sports organisations with the aim of getting missing data and supplementary information to qualify the data.

**Phase 4** (November-December 2018). Based on the feedback given in the third phase, the researcher assigned the first scores.

**Phase 5** (December 2018). In this phase, the last feedback took place. The researcher sent the scores to sports federations and conducted interviews regarding the final scores. Some scores were adjusted on the basis of additional evidence provided by the federations.

**Phase 6** (December 2018). The scores were definitively assigned. The national sports federations were informed about the scores. Due to the fact that the Georgian Football federation declined to participate in the project, the respective scores for the federation were assigned based on the analysis of publicly available data.

## Results

The NSGO results are summarised in table one above. The average score on the NSGO index in the five sports federations of Georgia is 21%, which corresponds to a 'weak' label. Georgian sports federations achieve the highest score in the democratic processes dimension – 36% ('weak'). In the transparency dimension the NSGO index score is 21% ('weak'), while the scores on the internal accountability and control (14%) and societal responsibility (12%) dimensions are classified as 'not fulfilled'.

### Dimension 1: Transparency

The researched sports federations achieved a 'weak' NSGO average score of 21% for the transparency dimension. The federations primarily failed in the publication of key documents, reports, and internal regulations, whereas better results were gained in the publication of statutes and sports rules.

- 80% of the federations publish their statutes, while only 40% of them makes their sports rules publicly available.
- None of the federations publish internal regulations, multi-annual policy plans, annual activity, financial reports, or agendas and minutes of the general assembly meetings on their websites.

Producing these key documents and information increases stakeholders' trust in the workings of the organisation. Especially the publication of key policy documents such as the multi-annual policy plan, the annual report, and the minutes of board meetings and general assembly meetings facilitates external monitoring of key policy processes and motivates involved officials to act in the best interest of the organisation and its key stakeholders (Geeraert, 2018).

- All federations provide the agenda and the minutes of the general assembly meetings to their internal stakeholders via email. Most of the federations (60%) use this method of communication also to provide internal stakeholders with internal regulations.
- One out of the five sports federations publishes public versions of the minutes and decisions of the board on its website.
- One out of the five federations provides biographical information about individual board members; however, none of the federations publish information on the start and end dates of the mandates of each member of the board.
- There is a lack of availability of information about affiliated clubs and athletes. 40% of the organisations' websites list information about the number of affiliated clubs and provide basic information about affiliated clubs, while none of the federations publish the number of affiliated athletes.
- None of the federations report on activities of the standing committees within their annual reports.

- None of the federations have formal internal procedures in place that ensure adequate reporting within the framework of the annual report.
- None of the organisations publish information on remuneration of the key officials.

The findings show several shortcomings in regard to ensuring transparent communication of relevant information to stakeholders, which might result in negative outcomes for the sports federations. For example, the lack of internal reporting procedures might increase the risk for key information to be unavailable when the annual report is produced (Geeraert, 2018).

## Dimension 2: Democratic processes

Concerning the democratic processes dimension, the Georgian sports organisations achieve a below average score of 36% ('weak'), although this was the highest average of the four dimensions scores. The range of scores was wide, scoring both the highest and lowest possible scores.

- All federations have procedures in place for the appointment and reappointment of the members of the board.
- All federations have election rules on people qualified to vote; the majority or percentage needed to win the election and, where applicable, weighting of votes; quorum; and election rounds.
- In all federations, the general assembly directly elects the majority of the members of the board.

Solid election rules increase the likelihood that elections are fair and competitive. In addition, when officials have to stand for election, they are motivated to act in the best interest of their constituents.

- A minority of the federations (40%) have governing rules that ensure that elections take place on the basis of secret ballot.

Secret ballots prevent elected board members from retaliating against member federations that did not vote for them.

In general, the Georgian sports federations do not have democratic practices and procedures in place that enhance the diversity and competence of the board. A first issue concerns board member profiles.

- The minority of federations (40%) have a document in place that establishes the desired profile (responsibilities, background, competences) of each board function.
- One out of the five federations has established procedures for drawing up the agenda of the board.

Profiles for board functions help organisations in their search for suitable candidates. They facilitate establishing a differentiated and balanced composition of the board which helps organisations to achieve their objectives better (Geeraert, A. 2018).

A second issue impacting on the balanced composition of the board concerns the absence of nomination committees.

- None of the organisations have a nomination committee that oversees the election process of the members to the board.

Not having an adequate nomination committee decreases the likelihood that elections take place according to established procedures and that the organisation has a balanced and competent board.

A third issue impacting on the performance of the board concerns term limits. All of the federations implement term limits.

A final issue that impacts on board performance is the representation of all affiliated members in the general assembly. In the majority of cases (80%) the Georgian sports federations have rules that ensure the representation of all the affiliated members at the general assembly (either through direct or indirect representation). When not all members are represented in the general assembly, the risk increases that the board does not act in the best interest of all its constituents.

A salient issue pertaining to democratic processes in Georgian sports federations is the lack of participation of internal stakeholders in the policy process.

- None of the federations have formal policies for involving athletes, referees, coaches, volunteers, and employees in their policy processes.
- None of the federations adopt their multi-annual policy plans in consultation with athletes. A minority of federations consult coaches (one out of five organisations) and employees (60%) when producing the multi-annual policy plan.
- Only one out of the five federations ensures the formal representation of athletes and coaches.
- In the majority of the federations (60%), however, referees are formally represented.
- None of the organisations have formal representations of volunteers and employees.

The lack of participation of key stakeholders in the policy processes entails a number of risks. It decreases the likelihood that policies are effective, because the targets of the policies did not have the opportunity to give specialised input and lack ownership of the policies. In addition, stakeholders' trust in the federations' procedures and output may decrease which incentivises resistance and affects the federations' ability to steer their sport.

Finally, the federations do not take adequate action to ensure gender equality.

- None of the federations have a formal policy that aims at encouraging equal access to representation for women and men in all stages of the decision-making process.
- None of the federations implement gender sensitive procedures for identifying candidates for positions awarded as part of human resources policies.

The lack of gender-sensitive procedures increases the risk that one gender is overrepresented. This overrepresentation of one gender negatively impacts diversity in boards (Geeraert, 2018).

### Dimension 3: Internal accountability and control

Internal accountability and control procedures are 'not fulfilled' by the Georgian sports federations. The average NSGO index score on this dimension is 14%.

On certain aspects, internal control procedures and practices are 'good' and in other areas, however, there is significant room for improvement, meaning that internal learning processes and risk control relating to power imbalances, abuse of power, and unethical conduct are sub-optimal or non-existing.

Most of the Georgian sports federations do not implement procedures that allow the general assembly to supervise the board.

- The statutes or internal regulations of only one out of five federations ensure that the general assembly approves multi-annual and annual policy plans.
- In 60% of the sports federations the statutes or internal regulations establish that the general assembly must approve the annual budget and the financial statements (40%). None of the federations approve the annual budget based on the long-term financial planning.
- In the minority of the federations (20%), members of the board do not have voting rights in the general assembly.

Premature resignation procedures is the principle where the majority of the federations take action. However, there is some room for improvement regarding appropriate conflicts of interest procedures.

- 60% of the sports federations have established general procedures for premature resignations of board members and regulate that the general assembly has to vote on this issue.
- Concerning the principle of conflicts of interest, only one out of the five federations has defined in its statutes those circumstances in which, due to a serious conflict of interest, a person is ineligible to serve as a member of the board. One out of the five federations defines in its statutes those circumstances in which, due to a serious conflict of interest, a person is ineligible to serve as a board member.

- In the majority of the federations (80%) sponsors cannot serve as board members and in all federations (100%), members of an internal judicial body do not serve as board members.
- Some 60% of the federations do not include acting national politicians as members of the board.

The scores of the federations regarding clear governance structures according to the principle of separation of powers varies from 'weak' to 'very good'.

- All federations have defined key positions (president and at least one more position) on the board by statutes, and their regulations establish that the board determines the organisations' general policies
- In 80% of the federations, regulations establish that the board has the final authority over the organisation's budget and finances.
- A minority of federations (40%) define the tasks delegated to standing committees as well as the composition and reporting requirements of each committee.

Supervision of management scores low in the relevant indicators.

- Only one out of the five federations has regulations in place that outline responsibilities and competences delegated to management
- None of the federations have regulations that establish regular reporting by the management to the board as well as regulations establishing requirements for annual appraisal meetings with participation of board and the management
- Remuneration of management is determined by the board in 60% of the surveyed sports organisations.

None of the federations have a procedure to ensure that the board holds annual meetings on important tasks of its control function, specifically:

- None of the federations' boards have a document outlining an annual meeting schedule.

Principles related to codes of conduct for board members are not fulfilled (0%) by the federations. A similar picture applies to rules and procedures intended to minimise conflicts of interest.

- None of the federations establish procedures regarding conflicts of interest
- Only one out of the five federations has procedures that guarantee that the members of the board may not participate in the voting about decisions in which they have conflicting interests.

On average, the Georgian sports federations poorly implement basic financial control mechanisms.

- One third of the federations have a system in which (significant) financial transactions are periodically reviewed. Some 20% of the federations have a financial threshold for contracts with external parties which establishes when the board must take the decision.

#### Dimension 4: Societal responsibility

The Georgian sports federations received the lowest average NGSO index score in the societal responsibility dimension of 12% ('not fulfilled').

It is particularly worrying that the federations do not address key issues with regards to how the governance of federations affects primarily athletes, but also the general population and local communities.

- None of the federations implement policies on the promotion of dual careers of athletes.
- None of the federations have a formal policy that outlines objectives and specific actions aimed at combating match-fixing and discrimination in sport.
- 40% of the organisations undertake actions aimed at raising awareness for discrimination issues.
- None of the federations have formal (written) policies that outline objectives and specific actions aimed at combating sexual harassment in sport. None of the federations undertake actions aiming at raising awareness for sexual harassment issues.
- Only one out of the five federations has a formal (written) policy that outlines objectives and specific actions aimed at promoting gender equality in sport
- None of the federations undertake actions aimed at promoting environmental sustainability.

When the federations lack strategies in these areas, the likelihood of having a sustainable societal impact decreases. Not having a strategy implies that it is not clear where the organisation's policies are going, which makes it less likely that it will achieve its potential to have a positive impact on society (Geeraert, 2018)

While none of the federations have written (formal) policies aiming at preventing, detecting and combating doping practices, almost half of the organisations do exercise other activities, specifically

- Two out of the five federations undertake actions aimed at raising awareness for anti-doping rules and implement formal procedures establishing their cooperation with the National Anti-Doping Authority.

On average, the Georgian sports organisations have 'weak' scores for dealing with mitigating the health risks of sporting activities.

- While none of the federations have a formal (written) policy on mitigating the health risks, one out of the federations has a designated staff member who is responsible for all matters regarding health risks.
- Two out of the five federations undertake actions aimed at informing athletes of the specific risks associated with the sport in question and 40% undertake actions aimed at preventing specific risks associated with the sport.

In the societal responsibility dimension, Georgian sports federations achieved the highest 'good' score in promoting sport for all, namely:

- Two out of the five federations have a formal (written) policy that outlines objectives and specific actions aimed at promoting sport for all
- 80% of the federations undertake actions aimed at promoting sport for all
- 67 % of the federations cooperate with other organisations with a view of promoting sport for all.

## Discussion and policy implications

The average score of the NSGO index in the five sports federations of Georgia is 21%, which corresponds to a 'weak' label. Even though the Georgian government has introduced measures to promote good governance in sport organisations, there is a lot to do to achieve better results in the four dimensions.

Georgian federations achieve the highest score on the democratic processes dimension of 36% ('weak'). In the transparency dimension the NGSO score is 21% ('weak'), while the scores on the internal accountability and control (14%) and societal responsibility (12%) dimensions are classified as 'not fulfilled'.

**Within the transparency dimension**, all but one of the federations publish their statutes, while only two out of five make the sporting rules publicly available. Based on the requirements of the ministry responsible for sport, all the federations have elaborated multi-annual policy plans, including annual activities and they do produce annual activity reports to be applied to the ministry. But despite the existence of the mentioned documents, none of the federations publish them on their websites. There is lack of availability of information about affiliated clubs and athletes, and none of the federations publish the number of affiliated athletes. Agendas and minutes of the general assembly meetings are also lacking. At the same time, all the organisations provide the agenda and the minutes of the general assembly meeting directly to their internal stakeholders. The implementation of this indicator by all the organisations is closely related to the provision of the Civil Code of Georgia, which sets the rules for convocation of the general assembly of non-commercial organisations.

Concerning **democratic processes**, the Georgian sports organisations score below average, although this was the highest average of the four dimension scores. The range of scores was wide, with federations scoring both the highest and lowest possible score. On average, the federations score 'very good' in the two principles related to the democratic (re-)appointment of the board members as well as to the representation of all affiliated members at the general assembly. An average 'good' score in this dimension is gained for the principles that relate to the establishment of a quorum for the board and the general assembly as well as to ensuring participation of employees in policy processes. The implementation of certain principles within the democratic dimension is closely interrelated to the acting Civil Code of Georgia. The code sets minimum requirements for the statutes of non-commercial organisations that seek registration in the public registry. Specifically, the code requires that the statutes **should define and indicate**: (i) the supreme governing body (general assembly), its functions, meeting intensity and quorum for decision-making; (ii) rules for establishment of and running of the executive board as well as its term limits and quorum for decision-making; (iii) information of the board members (date of birth, home address, id number); (iv) criteria and rules for accepting new members, termination and expelling members (if the organisation is based on the membership).

On average, the Georgian sports federations do not have democratic practices and procedures in place that enhance the diversity and competence of the board. Another significant shortcoming in the democratic processes dimension is the lack of participation of internal stakeholders in the policy process. This entails a number of risks. It decreases the likelihood that policies are effective, because the targets of the policies did not have the opportunity to give specialised input and lack ownership of the policies. The federations do not take adequate action to ensure gender equality. No federation has a formal policy that aims at encouraging equal access to representation for women and men in all stages of the decision-making process.

**Internal accountability and control** procedures are ‘not fulfilled’ by the sports federations. There is significant room for improvement, meaning that power balances and control of unethical conduct are sub-optimal. In many cases federations failed to meet basic indicators of good governance, such as: (i) implementation of financial control system, (ii) performance evaluation of the board, (iii) recognition of a code of conduct applicable to the members of the board, management, and personnel, (iv) clear conflict of interest procedures, (v) procedures for the processing of complaints in the internal regulations; (vi) absence of internal and external mechanisms for contention of decisions. However, there are a number of principles in this dimension, where the federations’ scores vary from ‘weak’ to ‘very good’. All federations have defined key positions on the board by statutes. In most cases, the federations establish that the board has final authority over the organisation’s budget and finances. On average, the Georgian sports federations only implement basic financial control mechanisms to a limited degree.

Georgian sports organisations gained the lowest scores in the **societal responsibility** dimension with an average score of 12%. The ‘weak’ score is related to a lack of policies and actions in issues regarding combating sexual harassment in sport, promoting gender equality in sport, anti-doping and match-fixing policies, and promoting dual career of athletes. There are only few indicators where the federations achieved ‘weak’ and ‘moderate’ scores, such as regarding the implementation of a policy on promoting sport for all and a policy aimed at mitigating the health risks of sporting activities as well as offering consulting of their member organisations in the areas of management or governance.

## Concluding remarks

Even with some regulation and effort of the public authorities to promote good governance in sport, the Georgian sports federations still have a long way to improve their good governance. Three years after the government introduced the new system of distribution of state grants that incorporates good governance standards, we can assume that the system should be further developed and improved.

**The stakeholders might consider the recommendations provided below for further advancing good governance in sport:**

- Public authorities should elaborate detailed guidance and instructions on principles of good governance and their practical application by sports federations
- Public authorities should elaborate clear principles and measurable indicators for good governance. The current criteria of good governance (introduced by the ministry responsible for sport) are very general by nature and create space for different interpretation by sports federations. Sometimes interpretations are contradictory and create confusion between stakeholders. There is an urgent need to elaborate very clear good governance principles and attribute them with measurable indicators for a more unbiased evaluation
- Public authorities and other stakeholders should ensure implementation of actions to raise awareness of sports organisations on good governance
- Public authorities and other stakeholders should develop their human capacities with regard to good governance in sport
- Public authorities should introduce external monitoring systems to oversee and evaluate the application of good governance standards by sport organisations receiving state funding
- Public authorities should support and promote implementation of good governance approach on local level (municipal authorities providing financial support to sports organisations)
- The stakeholders should allocate resources for sport organisations wishing to advance and apply more criteria under the good governance dimension.

## References

Anti-Corruption Strategy and Action Plan (2017-2018) of the Government of Georgia.

Available at: <http://justice.gov.ge/Ministry/Index/174>

Business registry of entrepreneur/legal entities. Official website of the National Agency for Public Registry of Georgia. <https://napr.gov.ge/pol>

Budget of Georgia (2017, 2018), Ministry of Finance of Georgia, official website. Available at: <https://mof.ge/en/4545>

Criteria for recognition and funding of sports organisations (2018), Ministry of Education, Science, Culture and Sport.

Constitution of Georgia. Official gazette. Available at: <https://matsne.gov.ge/en/document/view/30346?publication=35>

Civil Code of Georgia, adopted by the Parliament of Georgia on 24 July 1997. Official gazette. Available at: <https://matsne.gov.ge/en/document/view/31702?publication=101>

Decree N127 of the Government of Georgia on establishment of “Interagency Coordination Council for promotion of sports policy development”, Tbilisi, 22 May 2013. Official gazette.

Decree N443 of the Government of Georgia on adoption of the Georgian National Anti-Corruption Strategy and Action Plan for 2017-2018 years on implementation of the Georgia National Anti-Corruption Strategy, Tbilisi, 27 September 2017. Official gazette.

Evaluation of performance of sports organisations in 2017 under the criteria for funding sports organisations. Ministry of Education, Science, Culture and Sports. Available at: [http://files.sportstat.gov.ge/sportstat/app/get-file?identifier=45\\_2\\_4d944026-dcb5-457a-b118-f112856fc85c.pdf](http://files.sportstat.gov.ge/sportstat/app/get-file?identifier=45_2_4d944026-dcb5-457a-b118-f112856fc85c.pdf)

Geeraert, A. (2018) National Sports Governance Observer. Final Report. Aarhus: Play the Game: Danish Institute for Sports Studies. Available at: <https://playthegame.org/knowledge-bank/publications/sports-governance-observer-2018-an-assessment-of-good-governance-in-five-international-sports-federations/129dc2d8-6a0d-4983-978d-a996008d8647>

Global Corruption Report: Sport, Transparency International. Published 23 February 2016. Available at:

[https://www.transparency.org/whatwedo/publication/global\\_corruption\\_report\\_sport](https://www.transparency.org/whatwedo/publication/global_corruption_report_sport)

Henry, I (2009). European Models of sport: governance, organisational change and sports policy in the EU. *Hitotsubashi Journal of Arts and Sciences* 50 (2009), pp.41-52.

Hitotsubashi University. Available at: <https://hermes-ir.lib.hit-u.ac.jp/rs/bitstream/10086/18054/1/HJart0500100410.pdf>

Integrity in sport, INTERPOL official website. Available at: <https://www.interpol.int/Crime-areas/Crimes-in-sport/Integrity-in-sport>

Kazan Action Plan, Sixth International Conference of Ministers and Senior Officials Responsible for Physical Education and Sport (MINEPS VI), held in Kazan. 13-15 July 2017. Available at: <https://en.unesco.org/mineps6/kazan-action-plan>

Korepanov, A. (2017). Baseline study of state's sports and youth policies in Georgia, prepared in the scope of the UNDP and EU joint project "Strengthening Parliamentary Democracy in Georgia".

Law on Sport of Georgia, adopted by the Parliament of Georgia on 20 September 1996. Official gazette.

List of sports organizations (as of 2018) recognized by the Ministry of Educational, Science, Culture and Sport of Georgia. Available at: [http://files.sportstat.gov.ge/sportstat/app/get-file?identifier=45\\_2\\_4d944026-dcb5-457a-b118-f112856fc85c.pdf](http://files.sportstat.gov.ge/sportstat/app/get-file?identifier=45_2_4d944026-dcb5-457a-b118-f112856fc85c.pdf)

Order N01/1061 of the Minister of Sport and Youth Affairs of Georgia on "Adoption of statutes of the Council on recognition and funding of sports organizations", date on 4 November 2015, Tbilisi.

Order N427 of the Minister of Education, Science, Culture and Sports on "Adoption of statutes of the Council on recognition and funding of sports organizations", dated on 9 November 2018, Tbilisi.

Program of the Government of Georgia for 2018-2020 - "Freedom, Rapid Development & Welfare". Available at: [http://gov.ge/index.php?lang\\_id=ENG&sec\\_id=41&info\\_id=67105](http://gov.ge/index.php?lang_id=ENG&sec_id=41&info_id=67105)  
Recommendation No. R (92) 13 REV on the revised European Sports Charter. Committee of Ministers, Council of Europe. 16 May 2001. Available at: <https://rm.coe.int/16804c9dbb>

Report of the consultative visit in Georgia on the European Sports Charter (13-15 October 2014), document reference: EPAS (2015)30rev1. Available at: <http://rm.coe.int/report-of-the-consultative-visit-in-georgia-on-the-european-sports-cha/1680737f0f>

Strategy and Action Plan for 2018-2020 of the Sports and Youth Affairs Committee of the Parliament of Georgia. Available at: [http://parliament.ge/ge/ajax/download-File/91312/SYC\\_Strategy\\_Plan\\_Eng](http://parliament.ge/ge/ajax/download-File/91312/SYC_Strategy_Plan_Eng)

Sport National Policy Document for 2014-2020, adopted by the Government of Georgia. Available at: [http://msy.gov.ge/files/categoris/State\\_Sport\\_policy\\_of\\_Georgia\\_ENG.pdf](http://msy.gov.ge/files/categoris/State_Sport_policy_of_Georgia_ENG.pdf)

Statistics of Georgian Sports, official online platform for sports statistics operated by the Ministry of Education, Science, Culture and Sport. Available at: <http://sportstat.gov.ge/>

VOCASPORT Research Group (2004). Vocational education and training in the field of sport in the European Union: situation, trends, and outlook. Lyon: European Observatories of sport and Employment. Available at: <http://eose.org/wp-content/uploads/2014/03/vocasport-Final-Report-English-Version.pdf>

# NATIONAL SPORTS GOVERNANCE OBSERVER

## COUNTRY REPORT: ICELAND

## Key results: Iceland

Figures 1, 2 and 3 show Iceland's main NSGO scores. Table 1 summarises the surveyed federations' principle scores by showing their corresponding labels.

Figure 1: Iceland's overall NSGO index score

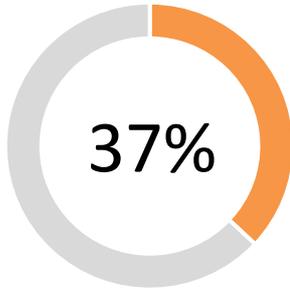


Figure 2: Iceland's scores on the four SGO dimensions

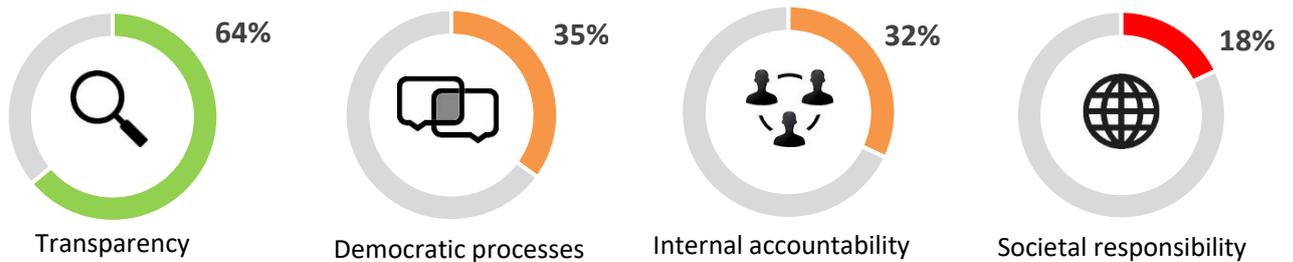
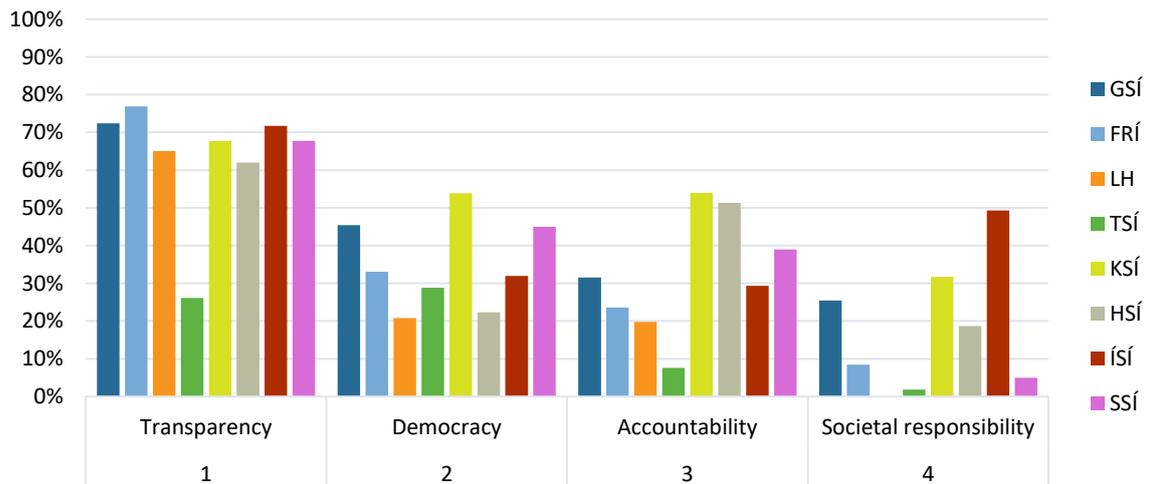


Figure 3: The surveyed Icelandic sports federations' scores on the four NSGO dimensions



Federations' full names and sizes can be seen in table 2.

**Table 1: The surveyed Icelandic federations' scores on the 46 NSGO principles**

	Principle	GSÍ	FRÍ	LH	TSÍ	KSÍ	HSÍ	ÍSÍ	SSÍ
Transparency	1. Legal and policy documents	Good	Weak	Weak	Moderate	Weak	Good	Good	Very good
	2. General assembly	Moderate	Very good	Very good	Not fulfilled	Weak	Very good	Very good	Moderate
	3. Board decisions	Very good	Very good	Very good	Not fulfilled	Very good	Very good	Very good	Very good
	4. Board members	Moderate	Moderate	Moderate	Not fulfilled	Not fulfilled	Not fulfilled	Moderate	Moderate
	5. Athletes and clubs	Very good	Very good	Weak	Very good	Very good	Weak	Very good	Weak
	6. Annual report	Weak	Very good	Weak	Not fulfilled	Weak	Weak	Weak	Weak
	7. Remuneration	Not fulfilled							
Democratic processes	8. Elections of board members	Weak	Very good	Very good	Very good	Very good	Weak	Weak	Weak
	9. Policy for differentiated board	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Moderate	Not fulfilled	Not fulfilled	Not fulfilled
	10. Nomination committee	Moderate	Moderate	Moderate	Moderate	Moderate	Not fulfilled	Not fulfilled	Moderate
	11. Quorums	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Moderate	Not fulfilled	Not fulfilled	Not fulfilled
	12. Term limits	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Moderate	Moderate	Moderate	Moderate
	13. Member representation	Weak	Moderate	Weak	Very good	Weak	Weak	Moderate	Weak
	14. Regular board meetings	Moderate	Very good	Not fulfilled	Not fulfilled	Very good	Moderate	Weak	Weak
	15. Athletes' participation	Moderate	Not fulfilled	Moderate	Moderate				
	16. Referees' participation	Very good	Moderate	Not fulfilled	Moderate	Moderate	Moderate	Not fulfilled	Moderate
	17. Coaches' participation	Very good	Moderate	Not fulfilled	Moderate	Not fulfilled	Not fulfilled	Not fulfilled	Moderate
Internal accountability	18. Volunteers' participation	Not fulfilled							
	19. Employees' participation	Very good	Not fulfilled	Not fulfilled	Not fulfilled	Very good	Not fulfilled	Not fulfilled	Not fulfilled
	20. Gender equality policy	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Moderate	Not fulfilled	Moderate	Very good
	21. Supervision of board	Weak	Moderate	Not fulfilled	Not fulfilled	Weak	Not fulfilled	Not fulfilled	Moderate
	22. Board resignation procedures	Not fulfilled	Moderate	Not fulfilled	Not fulfilled	Moderate	Weak	Not fulfilled	Moderate
	23. Board eligibility rules	Not fulfilled	Moderate	Not fulfilled	Not fulfilled	Weak	Moderate	Weak	Moderate
	24. Clear governance structure	Not fulfilled	Moderate	Not fulfilled	Not fulfilled	Very good	Weak	Not fulfilled	Not fulfilled
	25. Supervision of management	Not fulfilled							
	26. Audit committee					Weak		Not fulfilled	
	27. Financial controls	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Very good	Very good	Not fulfilled	Not fulfilled
Societal responsibility	28. Board self-evaluation	Not fulfilled	Moderate						
	29. External audit	Very good	Not fulfilled	Very good	Not fulfilled	Not fulfilled	Very good	Not fulfilled	Very good
	30. Code of conduct	Not fulfilled	Weak	Not fulfilled	Not fulfilled	Very good	Very good	Very good	Weak
	31. Conflict of interest procedures	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Weak	Not fulfilled	Not fulfilled	Not fulfilled
	32. Complaint procedure	Moderate	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Moderate	Weak	Not fulfilled
	33. Appeal procedure	Weak	Not fulfilled	Not fulfilled	Not fulfilled	Weak	Weak	Moderate	Not fulfilled
	34. Board meeting schedule	Not fulfilled							
	35. Governance consulting	Weak	Not fulfilled	Not fulfilled	Not fulfilled	Moderate	Not fulfilled	Weak	Not fulfilled
	36. Mitigating health risks	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Moderate	Not fulfilled	Not fulfilled	Not fulfilled
	37. Combating sexual harassment	Not fulfilled	Moderate	Weak	Not fulfilled				
Societal responsibility	38. Anti-doping	Not fulfilled	Weak	Not fulfilled	Not fulfilled	Moderate	Not fulfilled	Very good	Not fulfilled
	39. Social inclusion	Not fulfilled							
	40. Anti-discrimination	Not fulfilled	Weak	Weak	Not fulfilled				
	41. Gender equality	Not fulfilled	Moderate	Moderate	Not fulfilled				
	42. Anti-match-fixing	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Weak	Not fulfilled	Weak	Not fulfilled
	43. Environmental sustainability	Weak	Not fulfilled	Moderate	Not fulfilled				
	44. Dual careers	Not fulfilled							
	45. Sport for all	Weak	Not fulfilled						
	46. Athletes' rights					Weak	Moderate		

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

By Garðar Óli Ágústsson<sup>30</sup>, Jón Reynir Reynisson<sup>31</sup>, Birnir Egilsson<sup>32</sup>, Christos Anagnostopoulos<sup>33</sup>

## Overview

This chapter offers a descriptive account of the Icelandic sports organisations that have been benchmarked for the National Sports Governance Observer project. These organisations include seven sports federations as well as the National Olympic and Sports Association of Iceland (ÍSÍ), which is the umbrella organisation for sports in Iceland. The seven federations covered in this report are those for athletics, football, handball, swimming, tennis, golf, and equestrian sport. Phase 1 of the data collection took place in December 2019/January 2020. The verification phase (phase 2), which entailed interviews with representatives from all organisations that participated in the project, took place in two stages: February and September 2020. Due to the COVID-19 pandemic, it was deemed necessary for data to be re-evaluated and verified again in September 2020.

The average NSGO index score for the Icelandic sports federations is 37%, which is considered 'weak' based on NSGO labels. The highest average dimension score was transparency, with 64%, which is considered 'good'. Democratic processes and internal accountability and control are both 'weak', with scores of 35% and 32%, respectively. The lowest-ranked dimension is societal responsibility with 18%, labelling it as 'not fulfilled'. Overall, this report indicates that although the organisations in question may have valid reasons for some deficiencies, it is certain that Iceland's sports governance landscape offers much room for further development of good governance standards.

This chapter proceeds as follows. This introduction is followed by an account of the context in which this national-based report unfolds and insights into the history of sports in Iceland and how it has evolved since the late 1800s. The third section details the process and procedures regarding data collection and analyses. Finally, the core of this chapter presents the findings by highlighting the relative strengths and notable weaknesses vis-à-vis the four good governance dimensions in question. It does so by acknowledging the various limitations associated with the size of the country, and that of the federations.

---

<sup>30</sup> M.Sc., Molde University

<sup>31</sup> M.Sc., Molde University

<sup>32</sup> Associate professor, Molde University

<sup>33</sup> Professor, Molde University

## Context

### Corporate governance

Iceland's Chamber of Commerce, in collaboration with SA-Business Iceland (service organisation for Icelandic businesses) and Nasdaq Iceland, publish guidelines on corporate governance to clarify the roles and responsibilities of board members and company directors (Iceland Chamber of Commerce, 2015). These guidelines were first published in 2004 and have been republished five times, most recently in 2015. During this period, Icelandic society went through some difficult times, most notably the financial crisis and the downfall of three major Icelandic banks and learned valuable lessons. Indeed, the awareness of good corporate governance principles and the impact they can have is increasing, as is the understanding of what they can do for the organisations' performance and long-term goals. These guidelines are published to help companies in Iceland meet their obligations as organisations. This publication continues to increase in size, suggesting that the awareness in Iceland is steadily growing, with several companies voluntarily undergoing a formal assessment of their governance. The Chamber of Commerce has also published guidelines on corporate governance for public companies after the state's acquisition of Iceland's three largest banks. Iceland Chamber of Commerce, SA-Business Iceland, Nasdaq Iceland and the research centre in governance at the University of Iceland have also created an initiative whereby organisations that pass a formal evaluation of good governance can be nominated 'Exemplary in Corporate Governance'. The main objective of this initiative is to enhance credibility and transparency in governance towards shareholders and other stakeholders. Any organisation that wishes to do so can apply to undergo such an evaluation (Iceland Chamber of Commerce, 2015).

In Iceland, The Act on Public Limited Companies requires that such companies have three decision-making positions with a hierarchical relationship to each other: The shareholders' meeting, the board of directors, and the chief executive officer (CEO). This limits the power and influence of the shareholders to the shareholders meetings, with the board seeking its authority from those meetings and holding the supreme authority in between (Iceland Chamber of Commerce, 2015).

The Icelandic Act on Annual Accounts' (Act no. 3/2006) article 66 on good governance states that a company shall annually publish a declaration of its governance in a separate chapter in the report of the board of directors. The declaration shall include references to the rules and guidelines and handbooks on governance, a description of the principal aspects of the company's internal control and risk management systems, a description of the composition and functions of the representative body, board of directors, executive board and board committees, and a description of diversity in connection with the board of directors, executive board and supervisory board of the company (Act on Annual Accounts No. 3/2006, n.d.).

In Iceland, organised companies that work for non-financial purposes are labelled as general companies/public associations. General companies are organised, permanent associations of two or more parties, established voluntarily by a private law instrument in order to

work for non-financial purposes. As the composition of public companies is not provided for by law, the provisions of the articles of association are important for interpreting their legal position, in addition to which of the principles of company law are examined. Examples of general companies include political parties and sports associations (Icelandic Revenue and Custom, n.d.).

## Sports system

Organised sports began in Iceland in the late 1800s, when several athletic clubs were established, but a lack of facilities meant that many were discontinued. The Icelandic Sports Federation was founded in January 1912, four years after Iceland's first appearance at the Olympic games, held in London. The Olympic Committee of Iceland (NOC) was founded in 1921 but was not recognised by the IOC until 1935. It was not until 1997 that the Icelandic Sports Federation and the NOC merged and became the National Olympic and Sports Association of Iceland. Before that, the NOC was a single centralised organisation. The Icelandic Youth Association, founded in 1907, serves as the national association of local youth associations in Iceland. Its role is to organise youth associations and service their associates and members. They also represent youth associations when it comes to external relations (The National Olympic and Sports Association of Iceland, n.d.). Iceland has 25 sport regions, 7 sport associations and 18 district unions. Under ÍSÍ there are 33 national federations with approximately 104,000 participants registered, which accounts for almost 30% of the total population (Halldorsson, 2020; The National Olympic and Sports Association of Iceland, 2019).

Literature concerning sports systems and sports governance in Iceland is very scarce, nearly non-existent. However, the culture and structure of Icelandic sports foundations can be seen parallel to their Scandinavian neighbouring countries. Based on the VOCASPORT configurations, (see, VOCASPORT, 2004; Henry, 2009) Iceland resembles the 'missionary' form. It is thus characterised by a strong presence of a voluntary sports movement and autonomy to make decisions, with the state giving sports organisations authority in implementing sports policies and having legitimacy rest in the hands of volunteers rather than the employees. This is how sport in Iceland has been shaped through the years. Sports clubs in Iceland are organised as voluntary community-level organisations that are open to anyone willing to participate (VOCASPORT Research Group, 2004; Henry, 2009).

Research on sports participation in organised sport in Iceland highlights that organised sport has a community-level sports direction. Children in Iceland often participate in sport directly after school which connects the clubs and the schools together, with the municipalities offering assistance by subsidising club fees for children and adolescents. This has given sports clubs a particular importance in terms of promoting health and fitness and in the socialisation of children and adolescents. By promoting public health and putting an emphasis on sports for the younger generation, the clubs can retain their autonomy (Halldorsson, 2017; Þórlindsson et al., 1992, 1997, 2000). Having community-based sports clubs means that everyone who wants to participate can, without excluding players of lesser abilities. Up until the senior levels, around the age of 20, participation is open to anyone who is interested, with many clubs offering those who are not skilled enough to play at the first

team level a chance to play in lower leagues. Having such broad participation gives clubs social capital. With sports clubs being based on volunteer work, their aim is to make memberships as broad as possible and have former participants continue to serve their club as volunteers in roles including serving as board members, being on committees, or becoming referees or supporters. The everyday running of the sports clubs is handled by full-time staff, with coaches usually working part-time (Halldorsson, 2017).

The national federations, much like the sports clubs, are non-profit organisations, where all fees and funding are to cover salaries and everyday management. In most cases, board members serve as volunteers, except in Iceland's largest federation, the football federation that has much higher funding (from FIFA and UEFA) compared to others. Icelandic sports federations employ paid administrative staff, with three leagues in particular (football, basketball, and handball) presenting increased signs of commercialisation. Many (clubs) have professional coaches and support staff that are considered highly educated. Unlike other countries, the leagues in Iceland are not considered professional, although some sports are evolving, becoming semi-professional and starting to resemble professional leagues. For example, the football league requires all players to be under contract when playing. Even though players are being paid, the majority of them need to have a dual-career with a part-time or a full-time job or be enrolled in some type of education. The same can be said for players in the top basketball and handball leagues, all of whom have contracts to play but receive much lower salaries than their counterparts in football. Overall, other sports in Iceland are considered amateur and if players want to become professional, they have to move abroad in order to realise this goal (Halldorsson, 2017). With Iceland being a small society, it does not have the resources to host a professional league competition based on the support that would be needed to uphold such a standard. Iceland lacks the amount of fans and spectators needed to uphold the cost of such league competitions, with the population of Iceland being only 368,010 making it the least densely populated country in Europe (Halldorsson, 2017; Coakley, 1998; Statistics Iceland, 2020).

## Sports policies and regulations

ÍSí is the highest authority for voluntary sports activities in Iceland (according to the provisions of the Icelandic Sports Act) and in foreign communications within the sport movement. Icelandic sport is divided into 25 sports regions, which are governed by ÍSí and an independent non-governmental organisation (NGO), the Icelandic Youth Association (UMFÍ). According to ÍSí statutes, ÍSí is governed by (a) the general assembly, (b) the executive board and (c) the executive council, with the general assembly being the highest authority in matters concerning ÍSí. As with many federations in Iceland, the general assembly is held every second year, not yearly as is the custom in many other countries (The National Olympic and Sports Association of Iceland, n.d.). In between general assemblies, the executive board manages the affairs of ÍSí. As stated in its statutes "*ÍSí operates independently and must resist all pressure, whether political, religious or economic, as provided for in the Olympic Charter*" (Statutes of Íþróttta Og Ólympíusamband Íslands 2017, n.d.).

ÍSí statutes state:

“Under the Sports Act, Iceland is divided into sports regions. In each sports region there shall be one regional district/sport union for all sports clubs in the region to work on their behalf. A national federation is an association of regional districts/sport unions in the relevant sport. A national federation is authorized to interact directly with the clubs whose platforms stipulate the practice of the relevant sports. A national federation is the highest authority within ÍSí regarding special issues of its sport. A national federation shall send ÍSí an annual report of operations. A national federation is governed by a. The National Federations general assembly. b. The governing board of the National Federation. The ÍSí Executive Board is required to take the initiative in founding a National Federation if at least five regional districts/sport unions where the relevant sport is practiced request this and the number of active members of said sport exceeds 250.”

Statutes of Íþróttta Og Ólympíusamband Íslands 2017, n.d.

According to Icelandic Sport Law (Act no. 64/1998), the Ministry of Education Science and Culture has supervision over sports-related matters. The minister of education and culture appoints a sports committee that consists of five members. Its purpose is to provide the ministry with consultation regarding matters related to sport. The sports committee makes suggestions to the ministry on financial contributions and distribution to sport under the government budget. Sports in Iceland is funded by the state and municipalities. The state funds the NOC, with the municipalities funding their local sports clubs, offering facilities for the community. In 2019 the state granted the NOC funds of approx. 617.7 m ISK (approx. 4.1 m euros) which were then divided among the federations (The National Olympic and Sports Association of Iceland, 2019a). A part of this funding goes to a specific achievement fund (e. Afrekssjóður) whose purpose is to support the development of elite sport in Iceland by providing support to the federations financially and assisting them in helping Icelandic athletes achieve success on international grounds. Every federation under the NOC can apply for a grant from this fund once per year, with the requirements being that they have an achievement plan and specific aims and objectives in place. Each federation gets a ranking based on their recent sporting involvement on international grounds, which are a) Elite Federation (e. Afrekssérsambönd), b) International Federation (e. Alþjóðleg sér-sambönd) and c) Development Federation (e. Prúnarsérsambönd). The board of the ÍSí Achievement Fund defines the amounts to be distributed in each category and determines the amount of grants in each case (Reglugerð Um Afrekssjóð ÍSí 2019, n.d.).

The increased funding coming in from the professional sports world, especially in football (far less in other sports), has had an important impact on the small economy in Iceland. It has boosted the Icelandic Football Federation and their clubs by using these additional funds to further develop the sport in Iceland and as an aid in expanding their infrastructure, increase the education of coaches and in building better sports facilities (Halldorsson, 2017). This development of global sports politics and its impacts has been noticed in Iceland, seeing that since the men's senior football team qualified for the 2016 Euros, the budget for the achievement fund grew by 100 m ISK (approx. 664,000 euros) yearly until 2019, from 100 m ISK (approx. 664,000 euros) in 2016 to 400 m ISK (approx. 2,655 m euros) in 2019 (The National Olympic and Sports Association of Iceland, 2020b).

Iceland also has an annual Sport Fund which is allocated with funds from congress to further sport development in Iceland with research and innovation and to gather information for policy making (Sports Act No. 64/1998, n.d.). The Icelandic Centre for Research (Rannís) administers the sport fund in Iceland with the budget according to financial law in 2018 being 19.4 m ISK (approx. 128,775 euros). This fund is for public bodies or non-profit organisations active in the field of sport in Iceland, such as sports clubs, public bodies in charge of sport at local, regional or national level, sports organisations at local, regional or national level, and coordinators of national sports events. According to the Sport Fund's regulations, any grant not used goes back to the fund for allocation (The Icelandic Centre for Research, 2019).

Additionally, sports in Iceland receive funding from the Icelandic Lottery which is an association owned by the National Olympic and Sports Association (ÍSÍ), the Icelandic Youth Association (UMFÍ) and the Icelandic Disability Alliance (ÖBÍ). It was established to operate the lottery and provides various services, such as betting on different sports and participating in European lottery games, the Euro Jackpot and Viking Lotto. The Lottery's intention is to raise funds for the promotion of sports in Iceland, within both ÍSÍ and UMFÍ, and for the initial costs of housing for the disabled on behalf of The Icelandic Disability Alliance (ÖBÍ) (Reglugerð Fyrir Íslenskar Getraunir Nr. 166/2016, n.d.).

In comparison with elite sports in other Western countries, Iceland is far from comparable, financially. The dynamics that have been associated with successful sporting nations and are used in the professional world of sports, such as their systematic approaches and scientific methods, are not maintained in the Icelandic sports infrastructure. In a report on elite sports made by the Icelandic NOC back in 2015, they report that Icelandic athletes develop under very dissimilar sporting environments than from what is offered by other nations in international competitions. Also, in order to bring elite sports in Iceland closer to others, they would need about five times more funding than what the state was giving at that time. This increase in funding in recent years is hopefully a step in the right direction but recent numbers suggest that the achievement fund is still only accommodating for about 30% of the federation's needs, which is still an increase from the 11% it was in 2016 (The National Olympic and Sports Association of Iceland, 2020b; Halldorsson, 2017). With the state funding the NOC and the federations, the municipalities play a bigger role in funding the local sports clubs in the community (Halldorsson, 2017; The National Olympic and Sports Association of Iceland, 2020).

## Methods

The Icelandic Olympic and Sports Association has 33 affiliated sports federations. In accordance with the NSGO methodology, a sample of eight federations were chosen for this report. The five compulsory federations represented in all NSGO projects are athletics, football, handball, swimming, and tennis. In addition to these five, three additional federations were chosen by the research team: The National Olympic and Sports Association of Iceland, which is the highest authority for voluntary sports activities in Iceland, the Golf federation, which has the second highest membership of federations in Iceland, and the National Equestrian Federation, which was chosen for its cultural relevance to Icelandic sports. This sample has two medium-sized federations (10-30 full-time employees) and six small-sized federations (fewer than 10 full-time employees). In Iceland, there are no large federations (30 or more full-time employees). A more detailed view of the sample of eight federations can be seen in table 2.

**Table 2: Sport, official name, official acronym, number of affiliated clubs, number of affiliated members, and number of employees of sample federations**

Sport	Official name	Official acronym	Number of affiliated clubs	Number of affiliated members	Number of employees
Golf	Golfsamband Íslands	GSÍ	61	17,846	Less than 10
Athletics	Frjálsíþróttasamband Íslands	FRÍ	23	4,507	Less than 10
Equestrian	Landsambands Hestamannafélaga	LH	44	11,793	Less than 10
Tennis	Tennisamband Íslands	TSÍ	9	1,629	Less than 10
Football	Knattspyrnusamband Íslands	KSÍ	161	27,993	10 or more, but less than 30
Handball	Handknattleikssamband Íslands	HSÍ	32	7,677	Less than 10
Umbrella federation	Íþróttá-og Ólympíusamband Íslands	ÍSÍ	33	104,042	10 or more, but less than 30
Swimming	Sundsamband Íslands	SSÍ	26	4,232	Less than 10

The standardised NSGO data gathering process was used for this data collection.

Phase 1: Selecting and contacting

Phase 2: Data gathering and first preliminary scoring

Phase 3: Feedback

Phase 4: Second preliminary scoring

Phase 5: Final feedback

Phase 6: Final scoring

Data collection took place in December/January 2019–2020. Interviews with federations representatives took place in February and in September 2020. Implications regarding the COVID-19 pandemic meant that the data was re-evaluated in September 2020 and verified. Standardised NSGO indicators and score sheets were used to assess federations by looking at information available on their websites and by interviewing representatives from each federation. The only federation that did not respond when contacted and therefore gave no additional feedback on its scoring was the Tennis Federation.

An e-mail was sent to all federations in the beginning of January 2020 to inform them on the scope of this research project. After the initial contact, a second e-mail was sent to confirm interest in co-operating and a meeting was scheduled. Before the meeting, each federation received their score sheet so they could prepare themselves for the meeting. Meetings lasted on average two hours. In all cases, the federations' representatives were their CEO, with some federations having an additional staff member present in order to assist. These additional staff members varied from board president to general office staff. All interviews took place in each federation's office space, with one exception where a meeting took place digitally through Microsoft Teams. Table 3 offers an overview of the data collection process.

**Table 3: Data collection overview**

<b>Sport</b>	<b>Official acronym</b>	<b>Date of phase 3 meeting</b>	<b>Applicable indicator per dimension</b>
Golf	GSÍ	20 February 2020	Transparency: 40/42 Democratic processes: 36/55 Internal accountability and control: 75/89 Societal responsibility: 55/88
Athletics	FRÍ	20 February 2020	Transparency: 40/42 Democratic processes: 36/55 Internal accountability and control: 75/89 Societal responsibility: 52/88
Equestrian	LH	19 February 2020	Transparency: 40/42 Democratic processes: 36/55 Internal accountability and control: 75/89 Societal responsibility: 50/88
Tennis	TSÍ	Did not provide feedback	Transparency: 40/42 Democratic processes: 36/55 Internal accountability and control: 75/89 Societal responsibility: 50/88
Football	KSÍ	17 February 2020	Transparency: 42/42 Democratic processes: 32/55 Internal accountability and control: 83/89 Societal responsibility: 86/88
Handball	HSÍ	14 February 2020	Transparency: 40/42 Democratic processes: 36/55 Internal accountability and control: 75/89 Societal responsibility: 56/88
Umbrella federation	ÍSÍ	17 September 2020	Transparency: 40/42 Democratic processes: 44/55 Internal accountability and control: 83/89 Societal responsibility: 81/88
Swimming	SSÍ	19 February 2020	Transparency: 40/42 Democratic processes: 36/55 Internal accountability and control: 75/89 Societal responsibility: 52/88

## Results

The average NSGO index score for Icelandic sports federations is 37%, which is considered 'weak' based on the NSGO labels. The highest average dimension score was transparency, with 64%, which is considered 'good'. The democratic processes (35%) and internal accountability and control (32%) dimensions are both 'weak'. The lowest-ranked dimension is societal responsibility with 18%, which is considered 'not fulfilled'.

### Dimension 1: Transparency

The first dimension is by far the best one for the Icelandic sports organisations, with a score of 64%. Out of the seven principles included in this dimension, three are labelled 'very good'. Furthermore, these three principles are the only ones that reach this level of excellence among all NSGO principles.

Additionally, within transparency there are two 'good' principles. Most of the organisations are 'very good' in terms of publishing statutes, internal regulations, and organisation charts, but they may lack multi-annual policy plans (principle 1). Principles 3 and 5 both round up to an average score of 88%, and all organisations have a score of 100% in principle 3 apart from one, which is the smallest of them all with only two employees and a score of 0%, as no board decisions were available on the website. Similarly, with regard to publishing information about their affiliated clubs and athletes (principle 5), the organisations either have a score of 100% or 67%, due to the fact that the umbrella organisation ÍSí keeps record of and publishes athlete numbers for all sports in Iceland, so some do not have those numbers available on their website.

The principle with the lowest average score is principle 7 (19%): 'The organisation publishes regulations and reports on the remuneration, including compensation and bonuses of its board members and management on its website'. According to interviews with the federations' representatives, there is no remuneration. The failure to implement this in internal regulations or in written form caused them to score very poorly on this principle.

Principles 2 and 6 are both labelled 'good' and most organisations' individual scores are either 'good' or 'very good'. However, one outlier, with a score of 0% in both principles, affected the average greatly. That organisation's website is lacking in all published material, with no agenda or minutes of the general assembly (principle 2) or an annual report, including financial statements (principle 6).

### Dimension 2: Democratic processes

Dimension 2, democratic processes, is the second strongest dimension of the Icelandic sports organisations, with an average score of 35% ('weak'). One principle stands out: Board members are democratically (re-)appointed according to clear procedures (principle 8), where the average score is 88% ('very good'); all individual organisations have a score of 75% or higher for this principle, with four out of eight scoring 100%. Principles 9, 11 and 18 are all classified as 'not fulfilled', with an average score of less than 20%. Of those, principle 18 has the worst outcome, with not one organisation ensuring the participation of

volunteers in their policy processes; they all have a score of 0%. According to policies from the umbrella organisation, ÍSÍ, and the Directorate of Equality in Iceland, all organisations should implement gender equality policies; however, the average score in principle 20 was 25% ('weak'). The reason given by various federation representatives in interviews was that the organisations find it difficult enough filling the roles within the organisation without having to adhere to the guidelines of maintaining equality. Furthermore, due to their size, with six out of the eight organisations having less than 10 paid employees, all but one indicator for them were not applicable and only one of those six organisation had this indicator fulfilled.

The Icelandic sports organisations have a score of 72% ('good') in principle 13, which states that the general assembly represents all affiliated members and meets at least once a year. The scores ranged from 50% to 100%, the most common unfulfilled indicator had to do with the statutes establishing that the general assembly meets annually; the Icelandic organisations had a bi-annual requirement instead.

In terms of ensuring that different stakeholders are represented (principles 15–19), the scores vary from 0% to 50%. As stated above, principle 18 had a 0% score, while the others were either 'weak' or 'moderate'.

### Dimension 3: Internal accountability and control

On the dimension internal accountability and control, the Icelandic sports organisations are labelled 'weak' with a score of 32%. No principle within this dimension achieves an average score of 'good' or 'very good', as the highest score of 58% ranks as 'moderate'. Most organisations had an external independent auditor to review their financial statements. However, due to the NSGO standards, only two organisations were large enough to have more than the first indicator apply to them within this principle, in both cases all additional indicators were unfulfilled. According to the NSGO scoresheet, principle 26 regarding internal financial or auditing committees only applies to medium and large federations. Only two organisations met that requirement, ÍSÍ and KSÍ, with an average score of 50%.

Principle 28 stating that the board evaluates its own composition and performance annually had the worst score at 4%. Only one organisation had a document on its evaluation during the past 12 months; however, they did not mandate it in their internal regulations or get external help.

A common trend in this NSGO dimension is that, in most principles, one organisation is labelled as 'good' or 'very good', but the rest either have no scores or very low scores. In 11 out of the 14 principles at least one organisation achieves a score of 60% or higher.

### Dimension 4: Societal responsibility

The last dimension has an average score of 18% or 'not fulfilled', the lowest of all dimensions. Only one of the 12 principles reached an average score of 'moderate' (principle 46: The organisation ensures fair treatment of professional athletes). Within the Icelandic

sports setting, only two of the eight organisations could be classified as semi-professional sports as they are the only ones administering 'professional' contracts to their athletes; as such they were the only ones viewed in this principle. Similarly, regarding the principle referring to dual careers, requiring a policy for the dual careers of athletes may be of less importance when the organisations view their athletes as non-professionals. Although this should not lower the need for the organisations to ensure the dual career of their athletes, this is the current status of Icelandic sports and is reflected by the low score.

Six principles were 'not fulfilled' and five more were 'weak', giving much room for improvement. Regardless of whether the organisation deals with amateur or professional sport, the structure for promoting gender equality (principle 41, 8%), combating sexual harassment (principle 37, 20%), combating match fixing (principle 42, 24%), and promoting environmental sustainability (principle 43, 15%) should all be of importance.

As such, the low score by the Icelandic sports organisations can, to some extent, be attributed to the setting in which they operate. However, much can be improved, as mentioned above.

## Discussion and policy implications

Similar to the results of the other countries which took part in the first phase of the NSGO benchmarking, Iceland scored highest on the transparency dimension (64%), which was close to the average score of the other previously surveyed European countries and Brazil (65%). However, Iceland scored considerably worse in other dimensions compared to the average score of the previous NSGO benchmarking; Democratic processes (44%, compared to Iceland's 35%), accountability and control (51%, compared to Iceland's 32%) and societal responsibility (38%, compared to Iceland's 18%). Iceland's scores in these categories only reached a level of 'weak' or 'not fulfilled'. The dimension of societal responsibility was the area in which the Icelandic federations struggled the most, which is similar to other countries which took part in the first phase of the NSGO benchmarking

As mentioned previously regarding valid reasons for some of the Icelandic federations' score deficiencies, many of the federations' representatives mentioned the difficulties of operating in a country with such a small population. One of which is the difficulty to recruit human resources to fill the many volunteer positions, which is why some federations decide not to have a term limit for board members as they cannot afford to lose them and new ones are difficult to recruit.

Transparency scores show that Icelandic federations do well in terms of publishing their statutes online, listing the names of their board members, publishing the agenda of their latest general assembly, listing their affiliated clubs and ensuring that their latest annual report is published on their website. However, as mentioned in the results chapter above, Icelandic federations come up short in terms of reporting on remuneration of management and in developing and publishing multi-annual policy plans. Some federations claimed that, due to the environment they operate in, it can be difficult to plan many years ahead, with the funding from the NOC varying from year to year and their operations being proposed based on what they receive.

Democratic processes in Icelandic federations are strongest when it comes to democratically (re-)appointing board members according to clear procedures, having all affiliated members represented at the general assembly, having regular board meetings, and establishing a nomination committee for elections. Even though the Icelandic federations are built on the work of volunteers, there is no formal policy outlining objectives and specific goals aimed at involving volunteers in their policy processes. This can be seen in a similar way to the Norwegian federations, where traditional association structures in the sports system view volunteers, coaches, and athletes more as members than employees and, therefore, they have representation as such. With all affiliated members being represented at the general assembly, implementing a specific policy aimed at involving these groups in their policy process may be considered unnecessary.

Looking at internal accountability and control, procedures regarding the premature resignation of board members seem to be common among Icelandic federations: All but one federation have no acting national politicians on their board, all the federations' statutes

establish an independent financial or audit committee whose members are appointed by the general assembly, and internal regulations establish a system where financial transactions are reviewed periodically. However, conflicts of interest are almost completely ignored when it comes to statutes or internal regulations. With Iceland being a small country, many federations acknowledge that conflicts of interest are almost inevitable and all/most have unwritten laws or regulations where members who have a conflict of interest are asked to leave the room when certain topics are discussed or voted on.

Lastly, when it comes to societal responsibility, Icelandic federations receive a score of 18%, which is 'not fulfilled'. This implies that little is done when it comes to matters such as gender equality, sexual harassment or discrimination, and objectives on how to tackle some pressing social matters. However, it was noted that multiple federations, when asked if they had any measures or implemented guidelines on drug use or harassment, simply said that they were under the NOC and followed their implementations. Even though that can be seen as having some plans regarding societal responsibilities, it does not exactly count as such in the NSGO scores. If the federations do not mention this in some way on their own websites, their members can hardly be expected to be aware of this or be expected to visit the NOC's website for information about their sport and its rules. Examining the scores for the NOC's societal responsibility reveals that they scored 49%, which is 'moderate'. Therefore, if the other federations are following those guidelines and made mention of this on their websites, the overall score would have been higher.

Besides this, there is a lot of room for improvement. Only three out of the eight federations offer consulting regarding management or governance to their member organisations, with the NOC at the forefront, hosting courses on an annual basis. Formal policies regarding preventing, detecting, and combating doping practices are present in Iceland, with the NOC working with the Icelandic anti-doping agency following WADA protocols. Despite this, Iceland's score in this category is only 25%, which could be explained by the fact that while every federation under the NOC adheres to the rules and protocols set by the NOC, many of them fail to mention this in their statutes or on their websites.

Even though the NOC's statutes do not directly address the problem of match fixing, some of their general provisions could be interpreted as falling under that category. However, the NOC does implement rules from the Olympic movement and is part of the Common International Initiatives from the Nordic sports organisations related to the fight against match fixing. There are tight laws on gambling in Iceland, with the Icelandic Lottery being the only organisation allowed to regulate it. There, it is possible to bet on the results of European football games (not including the Icelandic leagues) with fixed amounts and the money raised is used to support sports in Iceland. Therefore, it was questioned whether the indicator involving match fixing should apply. However, a known problem that many federations acknowledge is that foreign betting sites have taken an interest in Icelandic sports and have made betting on Icelandic sports leagues available. Most of the federations' representatives agreed that this needs to be addressed so that foreign betting sites are not able to have an unwanted influence on sports in Iceland.

Being a small nation could easily be a strength when developing good governance practices and Iceland certainly has an opportunity to re-evaluate their governance protocols. Icelandic federations are vulnerable due to their size, lack of skills, lack of resources (funding), and blurred lines of good governance practices. Icelandic federations have an overall low score as they do not have various practices in place and there is a need to address these issues. As interviews with the federation's representatives revealed, much is being implemented; however, it is not mentioned in the statutes or internal regulations. Many federations claimed to have unwritten rules that they use in the day-to-day running of these organisations. This shows that there is a clear need to document these unwritten rules that are being used to govern the federations and make them an official part of their rules and regulations. There is a need for more specific policies with clear objectives and actions. There is also a need to develop routines that promote good governance protocols and make sure they are being followed.

One of the improvements that Icelandic federations can make is in defining and creating more specific actions aimed at mitigating problems regarding societal responsibility. The NSGO score sheet dictates that federations must have objectives and specific actions in their policies in order to fulfil set indicators. There were examples when federations had objectives in certain policies, but they would often be rather broad and unspecific. In order to improve, more specific goals are needed in their policy making.

There may be some reasons for why the Icelandic Federations find it difficult to employ better practices. It is not that they are unwilling to comply; rather, they find it appropriate to operate in a way that they feel is more suitable for their setting. There is a lack of funding that causes federations to implement only the most basic functions for their everyday operations. Some argue that they need more staff in order to improve their operation but have no room for that in their budget. While some sports appear to be more popular and attractive than others, some seem to struggle filling board positions and getting people qualified enough to make the necessary changes. No doubt, being a small nation is no excuse for not having adequate good governance protocols and yet Icelandic sports federations will only be able to improve with some institutional support and guidance. Perhaps the codification of good governance (i.e. the development and introduction of a Code) is a possible way forward for Icelandic sport.

## References

Act on Annual Accounts No. 3/2006.

Coakley, J. (1998). *Sport in Society: Issues and Controversies*. Irwin/McGraw-Hill.

Halldorsson, V. (2017). *Sport in Iceland: How small nations achieve international success*. Routledge, Taylor & Francis Group.

Halldorsson, V. (2020). The Black Swan of elite football: The case of Iceland. *Soccer & Society*, 21(7), 711–724. <https://doi.org/10.1080/14660970.2019.1710491>

Henry, I. (2009). European models of sport: Governance, organisational change and sports policy in the EU. *Hitotsubashi Journal of Arts and Sciences*, 50(1), 41–52.

Iceland Chamber of Commerce. (2015). *Corporate Governance Guidelines: 5th Edition*. Iceland Chamber of Commerce. [https://www.vi.is/files/%C3%BAtg%C3%A1fa/sk%C3%BDr-slur/corporate\\_governance\\_guidelines\\_5th\\_edition.pdf](https://www.vi.is/files/%C3%BAtg%C3%A1fa/sk%C3%BDr-slur/corporate_governance_guidelines_5th_edition.pdf)

Icelandic Revenue and Custom. (n.d.). *Almenn félagasamtök*. Icelandic Revenue and Custom. Retrieved November 29, 2020, from <https://www.rsk.is/fyrirtaekjaskra/felagasamtok-og-almenn-felog/almenn-felagasamtok/>

Reglugerð fyrir Íslenskar getraunir Nr. 166/2016.

Reglugerð um Afrekssjóð ÍSÍ 2019.

Sports Act No. 64/1998.

Statistics Iceland. (2020). *Population by municipality, sex, citizenship and quarters 2010-2020* [Table]. Statistics Iceland. Hagstofa.is

Statutes of Íþróttta og Ólympíusamband Íslands 2017.

The Icelandic Centre for Research. (2019, March 25). *Úthlutun úr Íþróttasjóði 2019*.

The Icelandic Centre for Research. <https://www.rannis.is/frettir/uthlutun-ur-ithrottasjodi-2019-1-2>

The National Olympic and Sports Association of Iceland. (n.d.). *History*. Retrieved November 29, 2020, from <https://isi.is/english/history/>

The National Olympic and Sports Association of Iceland. (2019a). *Ársskýrsla 2019*. The National Olympic and Sports Association of Iceland. [https://isi.is/library/Skrar/Efnisveita/ithrottath-ing/2019/%C3%81rssk%C3%BDrsla%20%C3%8DS%C3%8D%20fyrir%20vefinn\\_pr1.pdf](https://isi.is/library/Skrar/Efnisveita/ithrottath-ing/2019/%C3%81rssk%C3%BDrsla%20%C3%8DS%C3%8D%20fyrir%20vefinn_pr1.pdf)

The National Olympic and Sports Association of Iceland. (2019). *Tölfræði Íþróttahreyfingarinnar 2018*. The National Olympic and Sports Association of Iceland.

The National Olympic and Sports Association of Iceland. (2020b, October 2). *ÍSí úthlutar tæplega 462 m.kr. Í afreksstyrki*. <https://www.isi.is/frettir/frett/2020/02/10/ISI-uthlutar-taeplega-462-m.kr.-i-afreksstyrki/>

VOCASPORT Research Group. (2004). *Improving employment in the field of sport in Europe through vocational training*. European Observatoire of Sport and Employment. <http://eose.org/wp-content/uploads/2014/03/vocasport-Final-Report-English-Version.pdf>

Pórlindsson, P., Karlsson, P., & Sigfúsdóttir, I. D. (1992). *Um gildi íþróttar fyrir íslensk ungmenni*. Félagsvísindastofnun Háskóla Ísland.

Pórlindsson, P., Sigfúsdóttir, I. D., Bernburg, J. G., & Halldórsson, V. (1997). *Vímuefnaneysla ungs fólks: Umhverfi og aðstæður*. Rannsóknastofnun uppeldis- og menntamála.

Pórlindsson, P., Sigfúsdóttir, I. D., Halldórsson, V., & Ólafsson, K. (2000). *Félagsstarf og frístundir íslenskra ungmenna*. Æskan.

# NATIONAL SPORTS GOVERNANCE OBSERVER

## COUNTRY REPORT: INDIA

# Key results: India

Figure 1: India's overall NSGO index score

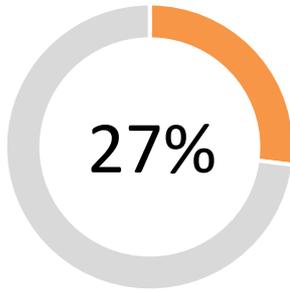


Figure 2: India's scores on the four NSGO dimensions

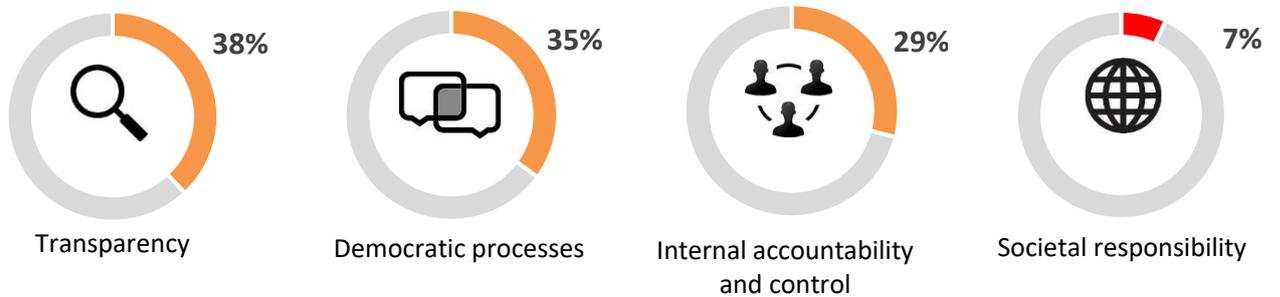
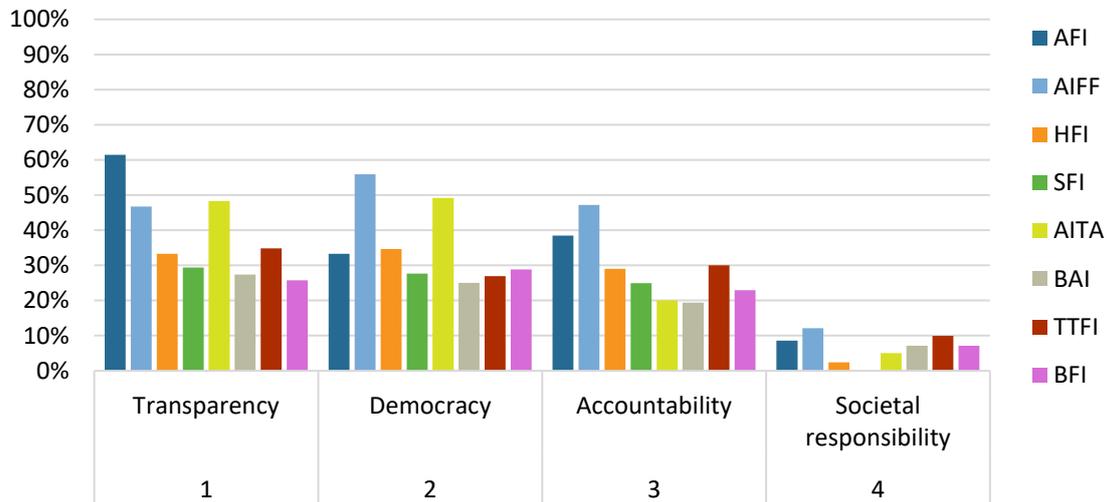


Figure 3: The surveyed Indian sport federations' scores on the four NSGO dimensions



See table 3 for the federations' full names.

**Table 1: The surveyed Indian federations' scores on the 46 NSGO principles**

	Principle	AFI	AIFF	HFI	SFI	AITA	BAI	TTFI	BFI
Transparency	1. Legal and policy documents	Yellow	Green	Yellow	Yellow	Green	Green	Yellow	Green
	2. General assembly	Green	Yellow	Red	Yellow	Yellow	Red	Yellow	Orange
	3. Board decisions	Green	Red	Red	Red	Yellow	Red	Red	Red
	4. Board members	Orange	Orange	Orange	Orange	Orange	Yellow	Yellow	Orange
	5. Athletes and clubs	Green	Orange						
	6. Annual report	Green	Green	Yellow	Red	Green	Red	Orange	Red
	7. Remuneration	Red							
Democratic processes	8. Elections of board members	Green							
	9. Policy for differentiated board	Red	Yellow	Red	Red	Red	Red	Red	Red
	10. Nomination committee	Red							
	11. Quorums	Yellow	Green	Yellow	Red	Green	Green	Yellow	Green
	12. Term limits	Yellow	Green	Green	Green	Green	Yellow	Green	Yellow
	13. Member representation	Green							
	14. Regular board meetings	Red	Green	Red	Green	Yellow	Red	Red	Red
	15. Athletes' participation	Yellow	Green	Orange	Orange	Green	Red	Red	Orange
	16. Referees' participation	Red	Yellow	Yellow	Red	Red	Red	Red	Orange
	17. Coaches' participation	Red	Yellow	Orange	Red	Green	Red	Red	Red
Internal accountability	18. Volunteers' participation	Red							
	19. Employees' participation	Yellow	Yellow	Yellow	Red	Yellow	Red	Red	Red
	20. Gender equality policy	Orange	Red						
	21. Supervision of board	Yellow	Green	Red	Orange	Red	Orange	Orange	Yellow
	22. Board resignation procedures	Red	Orange	Yellow	Red	Red	Red	Red	Red
	23. Board eligibility rules	Yellow	Green	Green	Yellow	Yellow	Yellow	Green	Yellow
	24. Clear governance structure	Green	Green	Green	Green	Green	Yellow	Green	Orange
	25. Supervision of management	Orange	Red	Orange	Orange	Red	Orange	Orange	Orange
	26. Audit committee	Green	Yellow	Orange	White	Green	Green	Green	Yellow
	27. Financial controls	Red	Yellow	Red	Orange	Red	Yellow	Yellow	Yellow
Societal responsibility	28. Board self-evaluation	Red							
	29. External audit	Green	Green	Orange	Green	Orange	Orange	Green	Green
	30. Code of conduct	Yellow	Green	Red	Red	Red	Red	Red	Red
	31. Conflict of interest procedures	Red	Red	Yellow	Red	Red	Red	Yellow	Red
	32. Complaint procedure	Orange	Red	Orange	Red	Red	Red	Red	Red
	33. Appeal procedure	Orange	Orange	Red	Red	Orange	Red	Red	Red
	34. Board meeting schedule	Yellow	Green	Red	Red	Red	Red	Red	Red
	35. Governance consulting	Red							
	36. Mitigating health risks	Red	Red	Red	Red	Red	Red	Orange	Red
	37. Combating sexual harassment	Red							
Societal responsibility	38. Anti-doping	Green	Green	Orange	Red	Yellow	Green	Green	Green
	39. Social inclusion	Red							
	40. Anti-discrimination	Red							
	41. Gender equality	Red							
	42. Anti-match-fixing	Red							
	43. Environmental sustainability	Red							
	44. Dual careers	Red							
	45. Sport for all	Red	Orange	Red	Red	Red	Red	Red	Red
	46. Athletes' rights	Red							

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

By Deiphibari Lyngdoh<sup>34</sup> and Madhu Sudhan Subedi<sup>35</sup>

## Overview

The current chapter provides an overview of the Indian sports organisations that were used as benchmarks for the NSGO project. The eight federations that have been examined are the national federations for athletics, football, handball, swimming, table tennis, badminton, boxing, and tennis. Data was gathered from January to April 2021.

The average NSGO index score of the eight Indian federations is 27% which constitutes a 'weak' score. This chapter finds that the federations perform well in some areas while falling short in others.

The federations are aware of good governance since the implementation of 'Guidelines of good governance code' in 2010 and the annual monitoring that follows. At the same time, the NSGO's results indicate that there is potential for improvement in the national sports organisations if the federations follow the government's regulations strictly.

The chapter is subsequently divided into five sections. The first section gives a summary of the context in which this national-based report takes place. The second segment briefly addresses the current state of corporate governance, policy enforcement, and good governance behaviour regulations. The third section contains information about how the dataset was gathered and analysed. The core of this chapter then introduces the results by highlighting relative strengths and significant shortcomings in relation to the four dimensions of good governance in question. The final section concludes this chapter by outlining some specific actions that Indian sports federations should take to strengthen their governance standards.

---

<sup>34</sup> MBA Student, Tamil Nadu Physical Education and Sports University, Chennai

<sup>35</sup> Assistant professor, Gandaki University, Pokhara

## Context

In India, the problem of effective administration in sport has just recently received attention. Sport is the latest in a series of industries where regulations have been established to encourage the adoption of corporate governance norms. Apart from establishing a specific good governance strategy, a number of policies relevant to good governance in sports federations have been implemented.

### Corporate governance culture

The evolution of corporate governance in India is a complex story about how a uniquely diverse society with many distinct cultures grapples with global standards as part of its economic transformation. Corporate governance has been a part of the Indian corporate sector since its inception, but due to some corporate governance failures and fraud, this has raised concerns about corporate governance in India.

The Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) form the organisational framework for corporate governance initiatives in India. Through Clause 49, SEBI monitors and regulates the corporate governance of listed companies in India. This clause is included in the listing agreement between stock exchanges and companies. MCA promotes the interchange of ideas and perspectives among business executives, lawmakers, regulators, law enforcement agencies, and non-governmental organisations.

The Companies Act 2013 received the President of India's assent on 29 August 2013, and was implemented on 12 September 2013, amending the old Companies Act 1956. The Companies Act of 2013 creates a legal framework for corporate governance by enhancing disclosures, reporting, and transparency through new and improved compliance standards. Besides this, the Competition Act 2002, the Foreign Exchange Management Act 1999, the Industries (Development and Regulation) Act 1951, and other legislation have an impact on corporate governance principles. In addition to numerous acts and recommendations issued by various regulators, non-regulatory entities have also produced codes and rules on corporate governance from time to time. For example, the Confederation of Indian Industries (CII) issued a Desirable Corporate Governance Code in 2009.

Following the publication of the first corporate governance code, a number of other codes were published to translate corporate governance concepts to various types of companies. In sports, the Ministry of Youth Affairs and Sports (MYAS) has implemented the National Sports Development Code of India 2011 and the National Code for Good Governance in Sports 2017, with the goal of compiling all notifications and instructions relevant to the proper governance of the national sports federations. The code essentially dictates how National Sports Governing bodies, officially known as 'national sports federations' (NSFs), operate.

According to the code, the NSFs are fully responsible for the overall management of administering, supervising, developing, and financing the discipline for which they have

been accredited by the respective international federation. The code also governs certain responsibilities of the Sports Authority of India (SAI) related to the national sports federations. Nothing in the code relates specifically to regional level associations, but certain duties may be imposed indirectly on regional/state entities through the provisions adhered to by the NSFs. The code specifies the requirements for NSF recognition, the application process, and the repercussions of non-compliance (suspension). It covers elections, government funding, long term development plans (LTDP), and the selection of national teams, among other things. It also covers sports classification, cultural interaction, age fraud, sexual harassment prevention, anti-doping compliance, and sports equipment procurement. Any federation that fails to follow the code and regulations imposed by the ministry will face a suspension and may even lose its recognition under the NSFs.

MYAS has also brought the national sports federations subjected to the Right to Information Act (RTI), which requires them to appoint Public Information Officers and Appellate Authorities. The government has decided to declare all NSFs that receive a grant of INR 1,000,000 (approx. EUR 11,468) or more as Public Authorities under the Right to Information Act 2005, making all NSFs reliant on it for monetary handouts.

## Sports system

The sports system in India is mostly federated. Distinct and independent sport regulatory organisations control each sport in each geographic location. National governing bodies, such as the All India Football Federation (AIFF), the Handball Federation of India (HFI), and the All India Tennis Association (AITA), govern the sport on behalf of their affiliated sports associations. While many successful sporting nations have a federated structure, India's 29 states and seven territories significantly outnumber countries like Canada (13) or Australia (8), making it complicated for the national organisations to accommodate the needs of each member – and this is before accounting for the disparities between India's states.

India is emerging rapidly as a favoured venue for major sporting events such as the Commonwealth Games, Asian Games, and World Cups of hockey and cricket, owing to the country's increasing economic power and young demographics. These high-profile activities attract a lot of interest from all over the world. However, India's success in most of these activities, with the exception of a few common sports like cricket and shooting, has remained dismal. Even a significant amount of public and private spending in sports has failed to yield significant results. These shortcomings are often due to India's sports governance model. Allegations of nepotism, fiefdom, unaccountability, and financial irregularities in sports federations endorse this argument. Sporting achievements are often linked to national pride, and these structural challenges have negatively affected it in recent times. The debate about whether or not the government should intervene to bring things in order has been raging.

The sports bodies in India are independent organisations, as stipulated by the Olympic Charter, which limits government authority over sports federations. While the Indian Olympic Association (IOA) serves as the umbrella organisation under which all of the

NSFs and the State Associations in the country organise various sporting events, government bodies operating under MYAS are used as a support service to provide training and infrastructure management. There are also federations for non-Olympic activities, such as The Board of Control for Cricket in India (BCCI). These federations are tied to their respective international federations directly. Government intervention is restricted, as it is with the IOA and NSFs, by the charters of their respective international federations.

The Ministry of Youth Affairs and Sports (MYAS), the Sports Authority of India (SAI), the national sports federations (NSFs), the Indian Olympic Association (IOA), and the Board of Control for Cricket in India (BCCI) are among the most powerful bodies involved in sports governance in India. MYAS allocates funds to the various states and national sports bodies, and the Sports Authority of India ensures that the funds are used in the development of sports infrastructure, including sports institutes and training centres in India. SAI is in charge of overseeing athlete and coach training as well as developing relationship planning, funding, support, and service with national sports organisations. It would also oversee sports universities and schools.

Under the Societies Registration Act XXI of 1860, all sports governing bodies are registered as societies. They receive government assistance in a number of ways, ranging from direct financial assistance (as in the case of NSFs) to indirect subsidies such as tax concessions (as in the case of BCCI). Although the different sports governing bodies receive funding from the government, an observer appointed by the government oversees how the funds are spent, how teams are chosen, and the various internal processes. Almost all sports organisations have retired bureaucrats as office bearers in order to use their political clout in various sports-related concerns, including funding.

### Sports governance policy and regulation

In order to promote and improve sports in a nation, the government plays an important role. The government and governmental organisations comprise the sports industry's public sector, which is responsible for developing sports policies, allocating funds for infrastructure development, nurturing talent, designing specialised programmes such as doping control, and so on.

In accordance with successive national sports policies, the government of India has also taken various steps and initiatives to promote good governance practices in sports management at the national level. These actions are based on the 'Basic Universal Principles of Good Governance of the Olympic and Sports Movement' and do not contradict or interfere in any way with the individuality of NSFs in carrying out their functions and responsibilities in conformity with the International Olympic Committee Charter. As a result, following the publication of the 2001 National Sports Policy, the government published revised Guidelines for Assistance to National Sports Federations in August 2001 and imposed subsequent regulations from time to time. These are all legally binding for the National Olympic Committee (NOC), i.e. the Indian Olympic Association (IOA), and the NSFs if they want to regulate and control sports in India, use the name of India, represent India at home or abroad, or take advantage of various benefits and concessions available to NSFs,

including the NOC, such as customs duty exemption or income tax exemption. Despite the fact that these bodies may be registered in different states under the Societies Registration Act or the Companies Act, their ability to function as the NOC or NSF is contingent on compliance with government guidelines (2010 MYAS Good Governance Guidelines).

As per India's Planning Commission, approximately 510 million people between the ages of 15 and 35 will live in the country in the coming years. As a result, the government's role in providing opportunities for India's youth to participate in sports is essential to the overall development of sports. When India hosted the Asian Games in 1982, it was a watershed moment in Indian sports. Prior to 1982, there was little emphasis on sports in public policy. Funds had been allocated to sports in different five year plans, mainly for building infrastructure, selecting and nurturing young sporting talents across the country, developing sports talents, and to create a comprehensive sports policy with three main goals: 'Sports for All,' 'Excellence in Sports,' and 'Contingent Constitutional, Legal, and Institutional Measures to Implement the Policy'.

In 2021-2022, MYAS supports 51 sports federations and seven institutions/organisations. Being recognised by the government helps the organisation to receive government grants annually. The researcher was able to find the formal (written) rules or criteria for recognition or allocation of public funds that are enforced by local municipalities with regard to regional federations or local sports clubs in the main website of the MYAS. The total amount and number of funds deliberated for the development and recreation of sports are shown in table 2.

**Table 2: Sports development funding 2021-2022**

Description head	Budget for the year 2021-2022 (in INR)	Budget for the year 2021-2022 (in EUR)
Payments for professional services	1,000,000	11,467.89
Grants-in-aid – general	13,071,600,000	149,896,789.00
Contribution	332,000,000	3,807,339.45
Scholarship/stipend	35,000,000	401,376.15
Grants for creation of capital assets	4,454,900,000	51,088,302.75
Grants-in-aid – salaries	5,873,500,000	67,356,651.38
Other charges	1,151,800,000	13,208,715.60
Major works (lands & buildings)	467,300,000	5,358,944.95
<b>Grant total</b>	<b>25,387,100,000</b>	<b>291,136.467.89</b>

Source: Ministry of Youth Affairs and Sports

Considering the developmental aspect of sports, the Panchyat Yuva Krida Aur Khel Abhiyan (PYKKA), the Khelo India Games, the National Youth Festival, the National Service Scheme, and the Fit India movement were introduced to generate a sports culture at the grassroots level. The implementation's goal is to provide basic sports facilities and equipment, as well as to enable youth in both urban and rural areas to engage in sports. Various

competitions are organised from the school level to the state level and the national level to achieve these objectives. The vision with regard to sports, games and recreation is pursued through various institutions under the Department of Sports, i.e.:

- The national sports federations (NSFs)
- The Sports Authority of India (SAI)
- The State Sports Association (SSA)
- Lakshmbai National Institute of Physical Education, Gwalior (LNPIE)
- Netaji Subhash National Institute of Sports, Patiala (NSNIS)
- National Doping Testing Laboratory (NDTL).
- National Anti-Doping Agency (NADA)

In addition to government funding, private organisations have also supported the development of sports in India. Private investment in sports has skyrocketed with increasing broadcasting rights and new partnerships such as Reliance Industries and Star India's joint ownership of the Indian Super League. Large Indian corporate organisations have created and funded grassroots sporting initiatives through their philanthropic arms, which aids in the growth of sports in India due to the inclusion of sports as part of the mandated corporate social responsibility programmes.

In order to maintain and achieve good governance in national sports governing bodies, the MYAS has set out specific guidelines to be followed by the governing bodies of different regions in India. These include:

- Follow proper democratic and held management practices which provide for greater accountability and transparency at all levels
- Have proper accounting procedures at all levels and produce annual financial statements
- Provide an annual report within six months of completion of the year
- Have impartial and transparent selection procedures
- Provide a positive exposure to MYAS as a major sponsor of sports in India
- Ensure that doping tests of all players are conducted regularly as per normal standard laid by the international federation of the discipline.

Since the implementation of the New Governance Code in 2017, India has emphasised good governance in different sports sectors. A number of changes have occurred, as well as various concerns connected to ethics and sports governance have been addressed.

The National Code for Good Governance in Sports 2017 (NCGGS 2017 or Sports Code) enumerates The Basic Universal Principles of Good Governance of the Olympic and Sports Movement, ethics, and fair play. This establishes some obligatory minimum governance standards and norms for NOCs and NSFs, which are derived from and based on the Olympic charter and international best practices.

A proposed amendment to the federal constitution dating back to 1988 attempted to include sports in the concurrent list, where the federal government might also share equal responsibilities. Unfortunately, in 2009, the amendment bill was withdrawn.

The various initiatives aimed to develop sports in India through proposing policy changes include: National Sports Policy 1984 and 2001, a Comprehensive National Policy 2007, a Sports Development Code 2011 and a Draft National Sports Development Bill 2011. The 2011 Bill aimed to increase integrity in India's sports administration and make it more open to public scrutiny. While elements of corporate governance have historically been included in various laws, specific good governance codes for various organisations have only recently been issued.

## Methods

There are about 60 sports organisations and federations receiving government grants from the Ministry of Youth Affairs and Sports. These include federations responsible for one-sport and multi-sport organisations. Under MYAS, a sample of eight sports federations was chosen using the standardised NSGO methodology. The sample consists of eight sports: Athletics, football, handball, swimming, table tennis, badminton, boxing, and tennis. The sample includes one small federation (swimming), six mid-sized federations (athletics, boxing, table tennis, badminton, handball, and tennis), and one large federation (football).

The data was gathered in compliance with the NSGO's data collection procedure from January until April 2021. The researcher collected data from the eight federations. During the investigation, the method consisted of six phases:

Phase 1: The national sports federations were selected and contacted in the month of January 2021. The substance of the research as well as the research methodology was explained to the selected associations. All of the sports federations named a point of contact to assist the researchers in gathering data.

Phase 2: Collecting data and assigning scores. Researchers conducted desk research in the form of websites, statutes, internal regulations, and other relevant documents of the sports federations. Subsequently, the first scores were calculated, and an overview of the missing information was provided.

Phase 3: This was a feedback phase. Researchers conducted telephone interviews with national sports federations asking the federations to provide missing information.

Phase 4: The second round of scoring was done. The scores were allocated by the researchers based on the feedback provided in the third phase.

Phase 5: The final round of feedback was given during this phase. Since personal meetings are prohibited by government policy during pandemics (COVID-19), the researchers sent the final scores to the participating national sports federations via email, but did not receive any feedback. As a result, the final scoring was done based on the previous feedback.

Phase 6: The scores had been assigned definitively. The final scores were communicated to the national sports federations. A final report on good governance was written. The report contains guidelines and areas for change, among other items.

A standardised score sheet was used to measure the scores of the national sports federations. All other countries participating in the NSGO research project used this score sheet. The sheet was initially put together by the team in charge of the NSGO research on a European basis. Among other things, the standardised score sheet contains an 'overview' tab that describes general information about the national sports associations.

Table 3 below describes the sport, official name, official acronym of sample federations, number of paid employees, and state funding received.

**Table 3: Sport, official name, official acronym, number of paid employees, funds received**

Sport	Official name	Official acronym	Number of paid employees	Funds received in 2021-22 through MYAS
Athletics	Athletic Federation of India	AFI	10 or more but less than 30	INR 84,274,000 (EUR 966,444.95)
Football	All India Football Federation	AIFF	More than 30	INR 139,269,000 (EUR 1,597,121.56)
Handball	Handball Federation of India	HFI	10 or more but less than 30	INR 15,259,000 (EUR 174,988.53)
Swimming	Swimming Federation of India	SFI	Less than 10	INR 8,737,000 (EUR 100,194.95)
Tennis	All India Tennis Association	AITA	10 or more but less than 30	INR 22,107,000 (EUR 253,520.64)
Badminton	Badminton Association of India	BAI	More than 30	INR 144,163,000 (EUR 1,653,245.41)
Table Tennis	Table Tennis Federation of India	TTFI	10 or more but less than 30	INR 50,663,000 (EUR 580,997.71)
Boxing	Boxing Federation of India	BFI	10 or more but less than 30	INR 128,545,000 (EUR 1,474,139.91)

## Results

The average score on the NSGO index of the eight sports federations in India is 27%, which is considered as 'weak'. The transparency dimension achieves a higher average score of 38%, followed by the democratic processes dimension score of 35% and the internal accountability and control dimension score of 29%. The societal responsibility dimension lags behind with an average score of 7% among the sports federations. The results for transparency, democratic processes, and internal accountability and control are classified as 'weak', while the index for societal responsibility is classified as 'not fulfilled'.

### Dimension 1: Transparency

In terms of transparency, Indian sports federations achieve a 'weak' label score of 38%. Entities perform admirably in terms of the disclosure of constitutional and standard-setting documents. Few organisations, on the other hand, pay attention to the disclosure of records that govern their internal operations and reveal the regular outcomes of their activities. The findings were:

- The federations received an average score of 66% for principle 1, which refers to the publication of statutes and other relevant documents and corresponds to a 'good' result, according to the benchmarking scheme.
- The federations received a total average score of 41% in principle 2, which indicates that not all the entities publish the agendas of their general assemblies before they take place.
- Two out of the eight benchmarked federations publish the minutes of discussions taken after the general assembly. With the total average score of 19%, principle 3 was labelled as 'not fulfilled'.
- Not all of the entities publish the names of the current board members on their websites. The federations received a total average score of 37% for principle 4, which constitutes a 'weak' score.
- With regards to the federations that provided information about affiliated clubs and members on their websites (principle 5), the cumulated average score of all the entities is 67%, which constitutes a 'good' score.
- On publishing annual reports on their websites (principle 6), the federations achieved an average score of 39%, which corresponds to a 'weak' label.
- None of the federations publish the statements of compensation and remuneration on their websites, therefore principle 7 was labelled as 'not fulfilled'.

The Indian national sports federations receive a poor score for the content of the minutes of discussion documents. Not all organisations have a brief overview of the issues to be voted on in the agenda of their general assemblies and release the minutes of the assemblies after they take place even if they deliver directly to affiliates. None of the organisations have risk management, conflicts of interest mitigation, or remuneration policies for their board members and other staff in their annual report.

## Dimension 2: Democratic processes

On the dimension of democratic processes, the Indian NSFs scored 35%, labelled as 'weak'. Principles related to electoral processes, periodicity of general assemblies, and wide representation of athletes in electoral processes is highlighted.

In India, democratic processes in sports organisations are governed by well-defined rules and procedures:

- Almost all organisations have processes in place for the appointment and reappointment of board members. With an average score of 94%, principle 8 was labelled as 'very good'.
- The federations received a total average score of 94% in principle 13, which explained that all the federations hold a general meeting once a year and have specific procedures in place for conducting extraordinary meetings. Almost all organisations allow proxy votes in case of absentia.
- Another factor to consider in the democratic processes dimension is that all organisations have a board member mandate limit (principle 12). A term usually lasts four years, plus another four years if re-elected. The average score for all federations is 81%, which is considered 'very good'.
- Not all of the benchmarked federations have rules in their statutes stating that boards must meet regularly or at least five times a year. The federations received an average score of 20% for principle 14, which is considered 'weak'.

When it comes to the involvement of various groups in the political and strategic structures of organisations, it is clear that there is still no equal distribution, with resulting gaps obstructing democratic ties and obscuring decision-making processes. Certain groups appear to have disproportionately high representation while others have none at all:

- The federations received a total average score of 34% on principle 15 on athlete participation in policy processes, which is considered a 'weak' score.
- Regarding the participation of other stakeholder groups in policy processes, the participation of referees (principle 16) received an average score of 16% and that of coaches (principle 17) received an average score of 19%, which is also a 'weak' fulfilment.
- As for the participation of volunteers (principle 18), it was noticed that this group does not participate in any of the political and electoral processes of the organisations.
- Regarding the establishment of a quorum in their statutes (principle 11), the organisations achieved an average score of 63%, which is considered 'good'

The above-mentioned lack of planning has an impact on the federations' capacity to identify appropriate candidates for positions available within their organisations. As a result, none of the federations have a nominating committee (principle 10), indicating that the criteria for such committees have 'not been fulfilled'. This may have an impact on the

efficiency in identifying suitable applicants. The negative point about male and female members having fair access is noteworthy. Regarding gender-equality policies, an average score of 6% was achieved by the federations for principle 20, which is considered a 'not fulfilled' score.

### Dimension 3: Internal accountability and control

In reference to internal accountability and control, the overall dimension score is 29%, which is labelled as 'weak,' as it was the case for the previous dimensions.

- The federations received a total average score of 30%, which is considered 'weak', for principle 21 regarding the general assembly's supervision of the board.
- With a total average score of 13% for principle 22, labelled as 'not fulfilled', it has been found that almost none of the federations have general procedures in place for board members to resign prematurely.
- A good number of Indian sports federations (average score 71%) describe the structures of standing committees and their assigned duties, as well as management roles and competences (principle 24).
- A total average score of 13% was determined for all federations regarding a clear code of conduct for internal stakeholders (principle 30). The result is considered 'weak'.

In terms of the principles regarding conflicts of interest:

- The federations achieved an average score of only 13%, which indicates a low awareness of conflicts of interest that can arise as a result of an organisation's lack of a clear structure (principle 31).
- A total average score of 58% was determined for the federations in terms of taking action against a person who is involved in a conflict of interest and therefore cannot serve as a member of the board (principle 23).

Sport federations' financial control procedures are well-established, yet there are still areas where they can improve:

- The federations achieved a total average score of 55% for principle 26 of an internal financial or audit committee that monitors the overall cash inflow and outflow of the organisation. The score is considered 'moderate'.
- Most of the federations have an external auditor for accounting records and assessment (the average score for principle 29 is 63%).
- For the implementation of a financial control system (principle 27), a 'weak' average score of 33% was determined for all federations.

None of the organisations hold an annual self-assessment programme or a management review session (principle 28). A low average score of 8% was found for all federations with regard to processing complaints in the internal regulations (principle 32), and the average

score of only 18% was determined for adopting the annual meeting schedule, meeting on budget issues, meeting on policy planning and annual reporting (principle 34).

## Dimension 4: Societal responsibility

By far the weakest dimension is societal responsibility with a score of 7% and only a few principles being scored. The federations' averages are labelled as 'not fulfilled' or 'weak', with no exception in all eight examined organisations, leaving enough room for them to improve their scores in the future:

- None of the federations offer management and governance consulting to members, and no federation has a designated staff member to formally act as a single point of contact or be responsible for this matter. No other actions are taken by any federation in the areas of management and governance consultation (principle 35).
- The federations have failed to demonstrate any actions or initiatives in the area of health risks associated with sporting activities, achieving a total average of only 4% of the label score. A medical staff member including a doctor appointed by the Director of Health formally acts as a single point of contact for all matters concerning the health risks of sporting activities in some of the examined federations (principle 36).

The federations' involvement in matters of gender equality in sports is also minimal. None of the federations have a policy for raising awareness of the importance of having a diverse decision-making environment or take actions to support leaders of both genders. With an average score of only 2%, principle 41 is considered 'not fulfilled'.

No federation deals with the policy of outlining objectives and specific actions aimed at helping athletes combining their sporting career with education or work and there is no designated staff member responsible for all matters regarding dual careers (principle 44).

Only one federation is taking an initiative in promoting or cooperating with other organisations aiming to promote 'sport for all'. No other federation has a designated staff member responsible for 'sport for all' or any kind of evaluation of the impact of the actions taken within this area. A total average score of 4%, which is considered 'not fulfilled', is calculated for principle 45.

Given the role of federations as public utility institutions, it is clear that these tactics must be supported. At the same time, by having an influence on the community, these tactics may help the federations achieve their long-term goals. Without a strategy, it is unclear where the organisations' policies are heading, making it less likely to achieve the potential of having a broader positive impact on society.

## Discussion and policy implications

In terms of transparency, India has been unable to compete in sports at the highest levels despite having a detailed governance system and the government investing sufficient funds in sports. The main reason for this is that sports governance in India is less transparent. Not all of the federations make their laws, sporting regulations, internal regulations and multi-annual plans public. In general, most federations provide the required documents about organisational policies that are accessible to the public, but the number of federations that make the annual report public is much lower. The same is true for risk evaluation and remuneration records, as well as conflicts of interest statements. Furthermore, information such as the financial situation presentations and the operations of standing committees is unsatisfactory. Many athletes accuse the various sports federations of nepotism, fiefdom, lack of accountability, and financial irregularities that are in charge of managing the various sports in India.

In terms of democratic processes, there are a few points worth mentioning. For example, all federations have term limits for board members, but not all organisations have a written policy that includes stakeholders in their decision-making processes. Moreover, stakeholders, especially referees, coaches, and employees, must be involved in policy development processes, so to ensure that all policies and decisions are retrievable and acceptable by all. Similarly, gender specific procedures must be enforced to recognise and promote female and male inclusion at all levels of decision-making.

In terms of internal accountability and control, most federations have procedures in place that allow the general assembly to supervise the Administration Council. All federations define the key positions of their stakeholders in their respective standing committees. Independent financial or audit committees, whose members are appointed by the accounting general, operate in the vast majority of federations. Nonetheless, few federations have a system in place to review important financial transactions on a regular basis. Another area where there is room for improvement is the fact that only two of the federations have a code of conduct that applies to members, management, and staff whereas the other federations have none. In addition, the code of conduct should provide specific rules for spending, conflicts of interest, and gifts. Last but not least, a separate code of ethics from the internal regulations will be appropriate.

The federations received the lowest scores in the societal responsibility dimension, with only 7% of principles completed. This low score is due to a lack of policies and actions in areas such as reducing the health risks of athletic activities, fighting sexual harassment in sport, promoting gender equality in sport, and providing management and governance consulting to member organisations. The only principle where the federations scored well was anti-doping. Because of this lack of expertise in societal responsibility issues, it is important for Indian sports federations to find partner organisations that can assist in the development of policies and strategic planning for the first societal responsibility actions.

While it is difficult to draw a clear line between cause and effect, Indian national sports federations perform well in some areas where the government has adopted supportive or regulatory policies. Furthermore, the Indian government's 2010 Code and Standards for Good Governance gives special attention to most of the NSGO values where the federations are actually lagging behind. As a result, the Indian national sports federations are projected to progress substantially in these areas in the coming years. Specific strategies, on the other hand, should ensure that progress is closely tracked. In areas where weaknesses persist, new supporting and compliance policies could be developed. More action appears necessary to incentivise stakeholder participation, environmental sustainability, combating discrimination in sport, promoting gender equality, and strategic action on societal responsibility.

## Recommendation

Increased social participation, development opportunities, grassroots and national youth communities are all benefits of the growth and development of sports in India. Although there are undeniable governance problems in Indian sport, there are also measures that Indian policymakers should introduce and oversee. These measures, which are outlined below, will aid in the establishment of a stronger governance structure that will contribute to the long-term and sustainable growth of sport in India.

- Create a future strategy/roadmap
- Define the systematic roles and responsibilities of each individual involved in the federation
- Sports administration should be made more professional
- Elections and succession planning should be redesigned
- Build governance educational tools
- Accountability and transparency requirements should be introduced and enforced
- Conflicts of interest should be avoided where possible
- Increase the number of players and women on the council.

The federations are aware of good governance, not least as a result of the MYAS Good Governance Code's implementation and the annual monitoring that takes place in compliance with the code. Simultaneously, concerns about whether rule enforcement contributes to real behavioural and cultural change can be posed. The results of the NSGO report suggested that there is a need for change, and the Sports Agreement which was recently published, calls for the code to be improved. As a result, the following questions arise:

- Is this something that should be addressed by the sports industry alone, or should it be done in conjunction with others?
- Is it necessary to apply the existing Sport Governance Code in this context, and if so, how?
- In what ways can good governance in India be improved so that the NSGO's suggestions for reform are actually addressed within the federations?

## References

Accounting of funds disbursement by The Ministry of Youth Affairs and Sports India derived from The MYAS

<https://yas.nic.in/>, <https://yas.nic.in/sites/default/files/DDG%202021-22.pdf>

Corporate Governance in India

<https://www2.deloitte.com/in/en/pages/risk/articles/governance-101.html>

Governance of Sports in India 2016 derived from <http://www.ingovern.com/>  
<https://www2.deloitte.com/in/en/pages/risk/articles/governance-101.html>

Improving Sport Governance in India derived from <https://www.aii.unimelb.edu.au/>

Ministry of Youth Affairs and Sports India. <https://yas.nic.in/>  
KHELO INDIA. <https://kheloindia.gov.in/>

National Code for Good Governance in Sports, 2017 derived from The MYAS  
<https://yas.nic.in/>, <https://yas.nic.in/sites/default/files/Draft%20National%20Code%20for%20Good%20Governance%20in%20Sports.pdf>

National Sports policy 2001 derived from The MYAS

<https://yas.nic.in/>, <https://yas.nic.in/sites/default/files/National%20Sports%20Policy%202001.pdf>

Principles of Corporate Governance (G20 2015, OECD)

The Narayana Murthy Committee 2003, SEBI,

[https://www.sebi.gov.in/reports/reports/mar-2003/the-report-of-shri-n-r-narayana-murthy-committee-on-corporate-governance-for-public-comments-\\_12986.html](https://www.sebi.gov.in/reports/reports/mar-2003/the-report-of-shri-n-r-narayana-murthy-committee-on-corporate-governance-for-public-comments-_12986.html)

The Companies Act, 1956, [https://www.mca.gov.in/Ministry/pdf/Companies\\_Act\\_1956\\_13jun2011.pdf](https://www.mca.gov.in/Ministry/pdf/Companies_Act_1956_13jun2011.pdf)

The Companies Act of 2013,

<https://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf>

The Desirable Corporate Governance - a code

[https://www.mca.gov.in/Ministry/latestnews/Draft\\_Report\\_NareshChandra\\_CII.pdf](https://www.mca.gov.in/Ministry/latestnews/Draft_Report_NareshChandra_CII.pdf)

# NATIONAL SPORTS GOVERNANCE OBSERVER

## COUNTRY REPORT: INDONESIA

## Key results: Indonesia

Figures 1, 2, and 3 show the Indonesian sports federations' main NSGO scores. Table 1 summarises the surveyed federations' principal scores by showing their corresponding labels.

Figure 1: Indonesia's overall NSGO index score

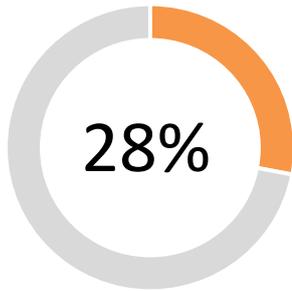


Figure 2: Indonesia's scores on the four NSGO dimensions

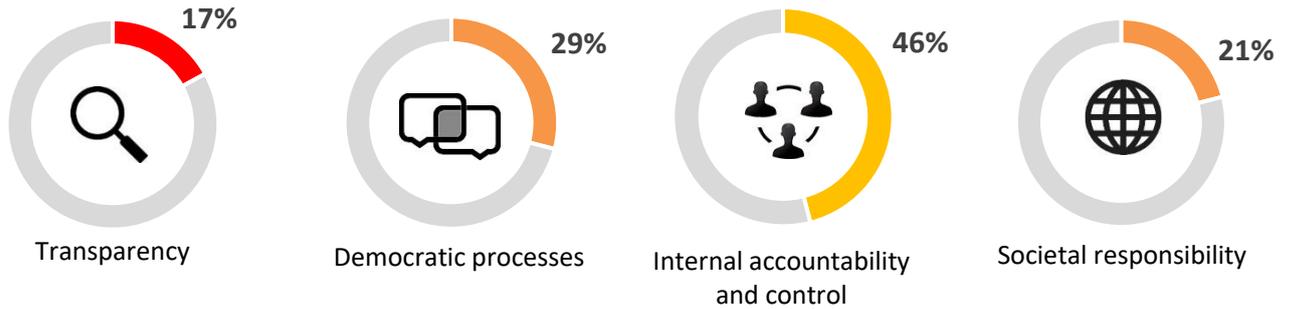
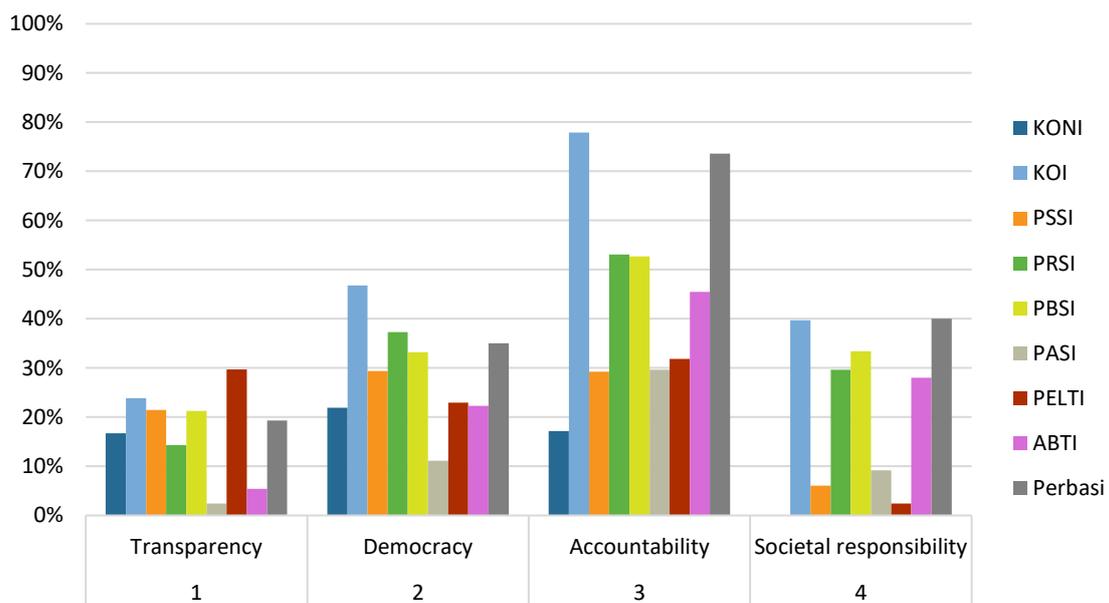


Figure 3: The surveyed Indonesian sports federations' scores on the four NSGO dimensions



See table 2 for the federations' full names.

**Table 1: The surveyed Indonesian sports federations' scores on the 46 NSGO principles**

	Principle	KONI	KOI	PSSI	PRSI	PBSI	PASI	PELTI	ABTI	Perbasi
Transparency	1. Legal and policy documents	Red	Yellow	Green	Yellow	Light Green	Red	Light Green	Orange	Light Green
	2. General assembly	Red	Orange							
	3. Board decisions	Red								
	4. Board members	Orange	Yellow	Red	Yellow	Orange	Red	Orange	Red	Red
	5. Athletes and clubs	Light Green	Light Green	Orange	Red	Orange	Red	Green	Red	Orange
	6. Annual report	Red	Red	Red	Red	Orange	Red	Red	Red	Red
	7. Remuneration	Red								
Democratic processes	8. Elections of board members	Orange	Light Green	Green	Yellow	Orange	Orange	Yellow	Yellow	Light Green
	9. Policy for differentiated board	Orange	Green	Red	Red	Red	Red	Red	Yellow	Yellow
	10. Nomination committee	Red	Orange	Red	Red	Red	Red	Orange	Red	Orange
	11. Quorums	Light Green	Light Green	Light Green	Yellow	Light Green	Yellow	Yellow	Light Green	Light Green
	12. Term limits	Yellow	Yellow	Yellow	Red	Red	Red	Yellow	Red	Red
	13. Member representation	Yellow	Light Green	Light Green	Light Green	Light Green	Yellow	Light Green	Light Green	Light Green
	14. Regular board meetings	Light Green	Green	Yellow	Light Green	Yellow	Orange	Yellow	Yellow	Green
	15. Athletes' participation	Red	Green	Orange	Yellow	Yellow	Red	Red	Red	Red
	16. Referees' participation	Red	Red	Red	Yellow	Yellow	Red	Red	Red	Red
	17. Coaches' participation	Red	Red	Red	Yellow	Yellow	Red	Red	Red	Red
	18. Volunteers' participation	Red								
	19. Employees' participation	Red	Red	Red	Green	Yellow	Red	Red	Red	Light Green
	20. Gender equality policy	Red								
Internal accountability and control	21. Supervision of board	Yellow	Green	Yellow	Yellow	Green	Yellow	Green	Yellow	Orange
	22. Board resignation procedures	Light Green	Green	Yellow	Yellow	Green	Red	Light Green	Green	Yellow
	23. Board eligibility rules	Orange	Yellow	Yellow	Yellow	Orange	Orange	Yellow	Yellow	Yellow
	24. Clear governance structure	Yellow	Green	Light Green	Yellow	Orange	Light Green	Red	Red	Light Green
	25. Supervision of management	Red	Yellow	Red	Orange	Green	Orange	Red	Yellow	Yellow
	26. Audit committee	Yellow	Green	Green	Red	Orange	Red	Red	Red	Green
	27. Financial controls	Red	Green	Red	Yellow	Green	Yellow	Red	Yellow	Green
	28. Board self-evaluation	Red	Light Green	Red	Green	Green	Green	Yellow	Red	Green
	29. External audit	Red	Orange	Orange	Green	Red	Orange	Red	Green	Green
	30. Code of conduct	Red	Green	Red	Yellow	Green	Light Green	Yellow	Light Green	Green
	31. Conflict of interest procedures	Red	Light Green	Red	Red	Yellow	Red	Orange	Red	Yellow
	32. Complaint procedure	Red	Green	Red	Yellow	Orange	Red	Red	Red	Light Green
	33. Appeal procedure	Red	Green	Green	Red	Light Green	Red	Orange	Yellow	Green
	34. Board meeting schedule	Red	Green	Red	Green	Red	Red	Green	Light Green	Green
Societal responsibility	35. Governance consulting	Red	Yellow	Red	Red	Light Green	Red	Red	Green	Yellow
	36. Mitigating health risks	Red	Yellow	Red	Red	Light Green	Red	Red	Red	Red
	37. Combating sexual harassment	Red	Light Green	Red	Orange	Red	Red	Red	Red	Red
	38. Anti-doping	Red	Light Green	Orange	Orange	Green	Yellow	Orange	Orange	Light Green
	39. Social inclusion	Red	Red	Red	Green	Red	Red	Red	Light Green	Red
	40. Anti-discrimination	Red	Light Green	Red						
	41. Gender equality	Red								
	42. Anti-match-fixing	Red	Red	Yellow	Orange	Red	Red	Red	Red	Green
	43. Environmental sustainability	Red	Yellow	Red	Light Green	Red	Red	Red	Red	Yellow
	44. Dual careers	Red	Orange	Red						
	45. Sport for all	Red	Red	Red	Green	Green	Light Green	Red	Green	Green
	46. Athletes' rights	Red	Red	Red	Red	Green	Red	Red	Green	Green

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

By Renata Melati Putri<sup>36</sup> and Amal Ganesha Warganegara<sup>37</sup>

## Overview

This chapter on the Indonesian sports system analyses the country's main umbrella sports organisations, namely the Indonesia National Sports Committee (KONI) and the National Olympic Committee of Indonesia (KOI), along with seven national sports federations responsible for athletics, football, badminton, swimming, handball, tennis, and basketball. This report is empirically based on data collected from January to July 2020.

The average NSGO index score of the Indonesian federations is 28%, which constitutes a 'weak' score according to the project's analysis tool. This chapter finds that the federations generally perform 'moderately' within the dimension of internal accountability and control (46%). The democratic processes and societal responsibility dimensions perform lower on their respective scales at 29% and 21%. Ultimately, the worst performing aspect is the transparency dimension, which stands only at 17% from overall scoring.

Further, the sections below describe the Indonesian sporting context, including national governance structures and the relationship between the government and the sports sector. It also further elucidates the country's sports-related policies and regulations. The third section comprises research methods, followed by the results of the study in the fourth section. Lastly, section five discusses the implications of this report.

---

<sup>36</sup> Research associate, Ganesport Institute

<sup>37</sup> Director, Ganesport Institute

## Context

### Governance culture

In Indonesia's public sector, good governance has been pushed into practice since 1998 when the authoritarian regime led by General Suharto collapsed after 32 years of controlling powers (Bunte & Ufen, 2009; Setayesh & Daryaei, 2017; Setiawan, 2019). At the time, one of the key governance dimensions to relations between the citizen and the state, namely voice and accountability (Setayesh & Daryaei, 2017; Sharma, 2009), enjoyed a revival. After being restricted for many years, freedom of press was revamped in a way to give 'voice' as a right for all citizens, and has resulted in a broader and faster stream of information from a growing number of new media outlets ("Setiap Hari," 2008).

Increased freedom to express opinions and preferences inevitably led to a higher degree of accountability, and it resulted in another effort to promote better governance when the Corruption Eradication Commission was established in 2002 to improve ethical standards among public servants and politicians. However, the effort of applying corruption control has yet to make a significant impact as Indonesia's corruption issues remain high as seen from the Transparency International's 2019 Corruption Perceptions Index which scores the country 40 out of 100 (Transparency International, n.d.).

Nevertheless, the wealth of the nation has unarguably benefited from the effort to put good governance into practice as gross domestic product per capita is now around US\$ 4,000 growing from US\$ 780 in 2000 and is growing faster than during Suharto's authoritarian era (World Bank, n.d.). In addition, according to the World Bank's 2018 Worldwide Governance Indicators, Indonesia's average good governance indicators was 46.5 percentile rank<sup>38</sup>, which was far worse than those of neighbouring Malaysia and Singapore who performed with 64.9 and 89.3 average percentile ranks respectively, let alone developed countries in Europe such as Denmark and Switzerland which scored 94.5 and 97.6 respectively.

Meanwhile, in the private sector, Indonesia has been long supporting good corporate governance practices especially since the 1997-1998 economic crisis, which severely hit the country's financial sector. In 1999, the Coordinating Minister for Economy, Finance and Industry issued a decree to establish the National Corporate Governance Policy Committee in an effort to promote good governance practices in private companies. The committee expanded its function to also hold interests in the area of public governance and changed its name to National Governance Policy Committee, or KNKG, in 2004.

Since its establishment, which has gained legitimacy from the government, KNKG has issued eleven good governance codes, which are mostly designed for the for-profit private sector (Komite Nasional Kebijakan Governance, n.d.). In addition, the Indonesia Financial Services Authority, or OJK, partnering with the World Bank's International Finance Corporation, introduced the Indonesia Corporate Governance Manual in 2014 designed for

---

<sup>38</sup> We sum six percentile ranks of the World Bank's Worldwide Governance Indicators of Indonesia (control of corruption, government effectiveness, political stability and absence of violence/terrorism, regulatory quality, rule of law, and voice and accountability) and then are divided by 6 to get the mean score.

private companies. For-profit private organisations have become the main platform to promote good governance in Indonesia, as Law No. 40/2007 on Limited Liability Companies has described good governance principles to be adhered to by private companies.

However, this effort has not been promoted equally in the non-profit private sector, in which sport organisations mostly exist. In the country's only sports act, namely Law No. 3/2005 on the National Sports System, good governance principles such as transparency and accountability are mentioned briefly in some processes including sport funds supervision, but no specific sports governance code has ever been created by any top sport institutions or actors.

In the sports sector itself, good governance culture has not really been popularised, let alone preserved. Corruption scandals have hampered Indonesia's sport ecosystem with high-profile figures often being involved. In the last ten years, at least two sports ministers were found guilty of corruption cases (Ramadhan, 2020; Shalihah, 2020). In the same timeframe, at least four officials at KOI and KONI were also accused of wrongdoing in corruption cases that involved public money (Fadillah, 2017; Hidayat, 2019). From 2018 to 2019, top officials at the Indonesian Football Association, or PSSI, were charged with criminal law offenses after police investigated match-fixing scandals in the country's top football leagues. These overviews can set a presumption that good governance has not been well implemented in Indonesia's sports sector, and findings in this report can further support that argument.

Moreover, there is one governmental body that can become the main actor to induce a sports governance code in the country, namely the National Sports Standardisation and Accreditation Body, or BSANK. Nonetheless, BSANK's frameworks in granting accreditation and standards to sports organisations are only limited to Government Regulation (PP) No. 16/2007 on Organising Sports, in which the governance aspect is only represented by an obligation to stipulate an ethics code for sports organisations (Badan Standarisasi dan Akreditasi Nasional Keolahragaan, n.d.). A sophisticated and detailed sports governance code is therefore needed to support Indonesia's sports development and industry.

All in all, Indonesia's governance reform which started in 1999 is considered to be progressing more slowly than in other neighbouring countries with good governance in both public and private sectors being marked merely in the regulations, which have yet to be transformed into becoming a culture (Azka, 2018).

## The sports system and governance-related sports policies

The sporting landscape in Indonesia is aligned with the bureaucratic system, according to the VOCASPORT Sports Governance Typology (VOCASPORT Research Group, 2004). This implies that public authorities have an active role in regulating sports and governing the nation's sports system. Since the country's independence in 1945, the development of sports is primarily influenced by the central government (Ma'mun, 2019). Under Article no. 12 of the Law No. 3/2005 on the National Sports System, through the Youth and Sports Ministry, or Kemenpora, the government is accountable for determining policy direction,

ensuring capacity development and standardisation rules. All directives are being implemented in a top-down manner to provincial/regional and municipal levels.

With regards to funding of sports, the law stipulates that the government is the primary source for sports organisations in its jurisdiction. The funding is allocated directly from the annual state budget (APBN) if it is utilised at national level and the regional budgets (APBD) at provincial level. Private funds, such as sponsorships and corporate social responsibility (CSR) are not yet widely used in sports. The condition is, most likely, caused by the fact that there are no clear incentives from the government to stimulate private actors to take a more significant role in funding the development of sports.

The state policy is further disseminated by two other principal stakeholders: The Indonesia National Sports Committee (KONI) and the National Olympic Committee of Indonesia (KOI). According to the Sports Act's Article no. 36 (4), KONI's relationship with Kemenpora is mainly about assisting the government in domestic sports affairs with an emphasis on elite sports development. KONI's task also includes organising the Olympic-like quadrennial national sports games, locally known as *Pekan Olahraga Nasional* (PON).

KONI members are approximately 107 entities, which consist of 33 KONI provincial committees and 74 national sports federations. The number of federations itself comes from 67 sports and seven functional federations, for instance sports federations for journalists, university students, school sports, disabled sports, women's sports, sports practitioners and civil servants. However, exact numbers are not available yet, as there are structural changes in a few national federations and newly inaugurated member organisations (Yuwanto, 2020).

Furthermore, compared to KONI which has a few functional associations, KOI membership is held exclusively for approximately 60 sports federations (Rusdianto, 2016). In accordance with the national sports act, KOI is responsible for organising the country's participation in international multi-sports events and nominating cities within the area for Olympic hosting candidacy. The act also acknowledges KOI's responsibility that is in line with the Olympic Charter, while still respecting the national sports law. Besides, through the Olympic educational programs, KOI facilitates athletes' development and training of coaches and officials (Octarina, 2015).

Both KONI and KOI have a fair share of contested decisions, especially on federations' membership and legitimacy. It has happened on a number of occasions that a federation is formally registered as a KONI member organisation, but its ratification does not extend to KOI membership. This issue leads to the situation that the particular federation is ineligible to participate in Olympic-related sporting events. Likewise, KONI also applies a mandatory set of membership policies to give federations accreditation to participate in the national sports games, and most importantly, to be eligible for government funding (Daryadi et al., 2015).

At the time of writing this chapter, there is an ongoing debate between policymakers and the organisations' leaders to unify the two organisations in order to disentangle the issue. The reunification dialogue will aim to be included in a revised sports-act draft, which is scheduled to be effective between 2020 and 2024 (Dewan Perwakilan Rakyat Republik Indonesia, 2020).

Furthermore, to elucidate one topical sports policy issue, Indonesia's sports provisions have invariably been gravitating around high-performance sports. Stories of medal achievement in international multi-sports events consistently generates popular support and substantial government subsidies. Also at the regional level the long tradition and importance of PON have become a driving force that influences regional policymakers and public servants to invest in elite sports to lead the medal competition between provinces. Consequently, as Ma'mun (2019) pointed out, the educational aspect of sports and sport-for-all related policies appear to be located on the peripheral spectrum.

As indicated in Kemenpora's strategic plan in 2017, its policy vaguely touches the sport-for-all dimension, which hardly discusses the role of mass participation and community empowerment for sports promotion. However, this situation is most likely to shift in the near future as in early 2020, a sporting body called the Indonesia Recreational and Community Sports Federation (FORMI) was granted a higher degree of independence. The status will give the organisation access to a more substantial state funding to facilitate community sports. FORMI was initially a registered member organisation of KONI, but due to its nature as the main agency that promotes recreational sports, the government and KONI have now acknowledged importance of its sole legitimacy (Kementerian Pemuda dan Olahraga Republik Indonesia, 2020).

Another governmental body, the Education and Culture Ministry, or Kemdikbud, holds similar stakes in the development of sports in the country, with for instance, its role in overseeing national sports championships for school students, such as the *Olimpiade Olahraga Siswa Nasional (O2SN)*. Moreover, the Religious Affairs Ministry also partakes in the sports system with its role in organising events that accommodate sports interests among students at religious boarding schools locally known as *pondok pesantren*.

In addition, with regards to sports and physical activity, the Ministry of Health has issued a 12-point healthy lifestyle recommendation (GERMAS) that acknowledges the role of sport in public health. Alas, it is often perceived by the Indonesians that diversified sports events do not seem to give a significant contribution to elite sports development. However, this may be due to the fact that coordinated collaboration between top institutions is seriously lacking.

Overall, the country's sporting system still has a long road ahead if the end goal is to build a balanced policy between high-performance sports and sport for all. Similarly, in the area of governance, it also seems to need some breakthroughs in order to reach an optimal state.

## Methods

This section describes the research methods, including data collection and data analysis, and gives an overview of the sports federations that participated in the study.

### Case selection

There are 74 sports federations in Indonesia. A sample of nine federations consisting of seven single sports federations and two main umbrella organisations, KONI and KOI, were selected according to the standardised NSGO methodology.

The sample comprises the five mandatory national sports organisations (football, handball, swimming, athletics, and tennis) and four other organisations (badminton, basketball and the umbrella organisations KONI and KOI).

Three institutions, the football federation, the KONI and the KOI, have more than 30 paid employees. The four federations responsible for athletics, basketball, tennis, and badminton have between 10 and 29 paid employees, whilst the federations responsible for swimming and handball report less than 10 employees.

An overview of the sports federations participating in the study is presented in the table 2.

**Table 2: Sport, official name, official acronym of sample federations, number of paid employees, and state funding**

Sport	Official name	Official acronym	Number of paid employees	State funding (€)
Football	Persatuan Sepakbola seluruh Indonesia	PSSI	30 and more	3 m €
NOC	Komite Olimpiade Indonesia	KOI	30 and more	12.2 m €
Umbrella organisation	Komite Olahraga Nasional Indonesia	KONI	30 and more	4.2 m €
Athletics	Persatuan Atletik Seluruh Indonesia	PASI	10-29	260,000 €
Basketball	Persatuan Bola Basket Seluruh Indonesia	Perbasi	10-29	366,000 €
Swimming	Persatuan Renang Seluruh Indonesia	PRSI	Less than 10	305,000 €
Tennis	Persatuan Lawn Tennis Indonesia	Pelti	10-29	550,000 €
Handball	Asosiasi Bola Tangan Indonesia	ABTI	Less than 10	n/a
Badminton	Persatuan Bulutangkis Seluruh Indonesia	PBSI	10-29	1.1 m €

Source: The Ministry of Youth and Sports.

The majority of sports federations have a management team that works on a full-time basis. However, there are exceptions for small federations that only have part-time management teams. Board members of these organisations work voluntarily and without remuneration, and have full authority over the organisation's strategy, budget and finances.

## Data collection

Data collection was conducted in accordance with the standardised NSGO guidelines, starting in January and ending in July 2020. Ganesport Institute gathered data from all nine sport organisations in six phases:

Phase 1: Selecting and contacting the national sports federations. The selected federations were contacted and informed about the content of the research and the research process. Points of contact were established to help researchers with gathering information.

Phase 2: Collecting data and assigning the scores. The lead researcher conducted desk research through the organisations' websites, statutes, internal regulations and other relevant documents. After that, initial scores were generated.

Phase 3: Feedback phase. Each federation was sent feedback and its contact persons were interviewed. During this phase, the contact persons handed over evidence of any missing information.

Phase 4: The second scoring phase. Phase 3 post-interview scores were reviewed.

Phase 5: Initially, it was planned to provide room for the federations to have a second feedback meeting. But, when the lead researcher sent forms of the second feedback to the contact persons, they accepted the scoring. The forms also included policy recommendations and points for improvements.

Phase 6: Final scoring of all NSGO scores on the sports federations included in this study.

There is a minority of federations that did not respond to the lead researcher's requests for interviews. The researcher was eventually only able to collect feedback from seven federations. Scores of federations' good governance principles were determined in a standardised NSGO scoresheet provided by Play the Game.

## Results

The average NSGO index score of Indonesian sports federations is 28%, which corresponds to the 'weak' category. The transparency index scores the lowest of the four dimensions, namely a 'not fulfilled' label with only 17%. The other two indices, democratic processes and societal responsibility, constitute 'weak' labels with 29% and 21%, respectively. Lastly, the internal accountability dimension represents a 'moderate' label with 46%. The sections below will provide a more detailed outcome of each dimension.

### Dimension 1: Transparency

**Table 3: Transparency – average scores per principle**

Principle number	Principle	Average score
1	The organisation publishes its statutes/constitution, internal regulations, organisation chart, sport rules and multi-annual policy plan on its website	51%
2	The organisation publishes the agenda and minutes of its general assembly meeting on its website	3%
3	The organisation publishes board decisions on its website	0%
4	The organisation publishes information about its board members on its website	26%
5	The organisation publishes information about its members (athletes and clubs) on its website	37%
6	The organisation publishes an annual report, including financial statements, on its website	3%
7	The organisation publishes regulations and resorts on the remuneration, including compensation and bonuses, of its board members on its website	0%

Transparency is the dimension with the lowest score (17%) which denotes as 'not fulfilled'. There is only a minority of federations that provide information about their members (athletes and clubs) on their websites. Most federations do not publish their statutes, internal regulations, and sports rules on their websites. Only 33% of the observed federations put their organisation's statutes and internal regulations on the website. It is also noticeable that only one federation, which is the PSSI, publishes its multi-annual policy plan on its website. However, there are three other federations that provide that kind of document through internal communications, and that being so, the plans do not exist as public documents. The internal documents are only discussed in annual members' meetings or at the general assembly (principle 1, overall score 51%)

In terms of annual reports that contain information about their finances, most federations are annually reviewed by external experts. However, those federations do not make these documents accessible to the public as they are not available on their websites. In addition, annual reports that include their year-long activities are only made available for the general assembly (principle 6, overall score 3%).

Agendas and minutes of the general assembly are not available anywhere on the Indonesian sports federations' websites. These documents are also considered private and

something that only the staff and board members should have access to. We found that on the part of the sports federations there is little awareness of making these documents publicly available. Thus, we feel that it is not about concealment of information, but a lack of knowledge or awareness about the importance of transparency (principle 2, overall score 3%).

Neither do sports federations publish their board decisions or minutes on their websites, nor do they make these documents freely accessible to their members. The websites might consist of organisational news, but the information provided is merely about decisions regarding their competitions or athlete disputes. There is no further detailed information about the internal processes or deliberation about financial aspects in the federations. The federations expressed that they are not obliged to share board decisions with the general public (principle 3, overall score 0%).

Further, the majority of the organisations ensure that the names of the board members are visible on their websites (principle 4, overall score 26%). Remuneration of employees and board members are generally not included in any regulation documents. According to the interviews, employees' salaries are regulated on a fixed-term contract basis (principle 7, overall score 0%).

In a nutshell, it is undeniable that the need for radical improvement in this area is urgent. This dimension plays an important role in eradicating rampant corruption in the country's sporting landscape. Researchers believe that providing adequate organisational information should be the first step on the list as it is regarded as the easiest place to start.

## Dimension 2: Democratic processes

**Table 4: Democratic processes – average scores per principle**

Principle number	Principle	Average score
8	Board members are democratically (re-)appointed according to clear procedures	53%
9	The organisation takes steps to achieve a differentiated and balanced composition of its board	25%
10	The organisation has a nomination committee	15%
11	The organisation establishes a quorum (a minimum number of attendees required to conduct business and to cast votes) in its statutes or internal regulations for the board and the general assembly	67%
12	The organisation has established term limits as well as a retirement schedule	22%
13	The general assembly represents all affiliated members and meets at least once a year	69%
14	The board meets regularly	53%
15	The organisation ensures the participation of athletes in its policy processes	25%
16	The organisation ensures the participation of referees in its policy processes	11%
17	The organisation ensures the participation of coaches in its policy processes	11%
18	The organisation ensures the participation of volunteers in its policy processes	0%

19	The organisation ensures the participation of employees in its policy processes	24%
20	The organisation implements a gender equality policy	0%

The democratic processes dimension covers regulations for election and representation, formal statutes, rules of procedure, and composition of the board, which entail quorum and term limits. In addition, some observed criteria also ensure involvement of athletes, referees, and coaches in policy development.

With regards to democratic processes, Indonesian sports federations had a 'weak' score of 29%. The variance is quite high with one federation achieving 47%, while another federation scored at 11%.

In terms of board election and formal procedures for election, sports organisations are, by and large, adopting principle 8. However, no formal provisions are in place to ensure a diverse composition of the board members (principle 9). Moreover, in the Indonesian sport system, there exist two election procedures, which federations can choose to establish their boards. In the first procedure, a chairperson is elected by the general assembly, which appoints other persons to join the board, such as vice-chairperson and treasurer. In the second procedure, a number of persons can be elected, to begin with the chairperson followed by the remaining persons. After that process has finished, this group of elected persons, in their roles as so-called *formators*, will appoint other persons to fill positions on the board, such as treasurer and divisional heads. Therefore, elections in Indonesian sports federations are more based on a deliberative system instead of a formal voting process. Voting is only used when deliberation cannot reach a collective agreement in the general assembly. The formation of the board is conducted in more informal negotiations rather than stated in formal provisions.

A nomination committee that oversees the election process in Indonesian sports federations is operated mainly on an ad-hoc basis (principle 10). In other words, the election committee is only being formed once every four years before the general assembly takes place. Generally, all sports federations have instituted a quorum in their statutes or internal regulations for board meetings and the general assembly (principle 11). Term limits (principle 12) are not common for most of the observed federations. By and large, it was stressed in the interviews that honorary positions on the sports federations' boards are voluntary. However, these positions require considerable resources, such as time commitments, to sustain the sports federations. Since they often find it difficult to find qualified persons with the capacities needed for succession, sports federations mostly regulate multiple four-year terms for the board in their statutes. In general, regular meetings of the board (principle 14) are taking place in most organisations.

It is noted that all members of the sports federations are generally represented in the general assembly (principle 13). However, relevant stakeholder groups, such as athletes, referees, coaches, employees, and volunteers, are not clearly expressed in a specific stipulation, except for the KOI that has an athletes' committee in its structure. In addition, with regards to gender equality (principle 20), only the PSSI stipulates a requirement of at least one

woman sitting on the board. Therefore, provisions on gender sensitive procedures for identifying candidates sitting on the board or in committees exist only in the football federation.

Overall, it is noteworthy that some federations have established a good communication and coordination system at the board level, also with its subordinates. However, there is certainly room for improvement with regards to the federations' general democratic system, which is primarily based on collective agreement.

In most federations, no formal documents about board composition, including descriptions of each board function, exist. These documents are more prepared on an ad-hoc basis before an election takes place. In addition, provisions on nomination committees also need to be improved. By and large, Indonesian sports federations only have low awareness about its contribution to good governance.

### Dimension 3: Internal accountability and control

**Table 5: Internal accountability and control – average scores per principle**

Principle number	Principle	Average score
21	The general assembly supervises the board appropriately	57%
22	The board establishes procedures regarding the premature resignation of board members	59%
23	The organisation defines in its statutes those circumstances in which, due to a serious conflict of interest, a person is ineligible to serve a member of the board	44%
24	The organisation applies a clear governance of structure according to the principle of separation of powers	48%
25	The board supervises management appropriately	33%
26	The organisation has an internal financial or audit committee	52%
27	The organisation implements a financial control system	46%
28	The board annually evaluates its own composition and performance	57%
29	The organisation's finances are externally audited by an independent auditor	44%
30	The organisation has or recognises a code of conduct applicable to the members of the board, management, and personnel	56%
31	The board establishes clear conflicts of interest procedures that apply to the members of the board	22%
32	The board establishes procedures for the processing of complaints in the internal regulations	29%
33	The organisation's decisions can be contested through internal or external mechanisms	44%
34	The board adopts an annual meeting schedule	48%

The index score for the internal accountability and control dimension for the observed sports federations achieves 46%, which is classified 'moderate'. The top performing federations on this dimension are KOI and Perbasi, which scored at 78% and 74% respectively, whereas the weakest federation is KONI with a score of 17%. Constituting the scores for the other good governance dimensions, the principles of internal accountability and control

have shown an adequate performance in the Indonesian sports context, but certainly sports organisations should continue to push for improvement.

Some 57% of the federations regulate the supervision of the board members by the general assembly (principle 21), and a total of 59% of the sports federations observed in this report have established formal regulations on the premature resignation of board members (principle 22). However, they perform dismally on the provision of conflicts of interest (principle 23, 22%). Some 57% of the sports federations establish regulations regarding the self-evaluation of the board (principle 28). Most sports federations adopt a regular self-evaluation of the board on an annual basis. However, there are four federations that do not fulfil the requirement at all. Only 33% of the federations provide appropriate mechanisms for the supervision of management in their statutes (principle 25). Formal procedures on processing complaints are 'weak' (principle 32, 29%), even though one federation, the KOI, scores highly at 88%.

Regarding the aspects of external financial control and accountability, federations are in the 'moderate' category on average. Three federations KONI, PBSI and Pelti, were found to employ unconvincing policies for an external financial audit system, which can ensure that financial transactions are processed appropriately, and proper risk management is considered. In contrast, three federations, PRSI, Perbasi and ABTI, were found to have implemented appropriate means to ensure financial accountability.

More than half of the federations (56%) have codes of conduct that are applicable to members of the board, management, and personnel (principle 30). In terms of the possibility of contesting the organisation's decisions internally or externally (principle 33), the average federations' score stands at 44%, which is considered 'moderate'.

## Dimension 4: Societal responsibility

**Table 6: Societal responsibility – average scores per principle**

Principle number	Principle	Average score
35	The organisation offers consulting to its member organisations in the areas of management or governance	28%
36	The organisation implements a policy aimed at mitigating the health risks of sporting activities	13%
37	The organisation implements a policy on combating sexual harassment in sport	11%
38	The organisation implements an anti-doping policy	45%
39	The organisation implements a policy on social inclusion through sport	18%
40	The organisation implements a policy combating discrimination in sport	10%
41	The organisation implements a policy to promote gender equality in sport	0%
42	The organisation implements a policy to combat match-fixing	23%
43	The organisation implements a policy for the promotion of environmental sustainability	16%
44	The organisation implements a policy on promoting the dual career of athletes	4%

45	The organisation implements a policy on promoting sport for all	54%
46	The organisation ensures the fair treatment of professional athletes	37%

In the Indonesian context, societal responsibility is the second weakest dimension after transparency, standing at an index score of only 21%. In general, the variance is relatively low. Four federations, KONI, PSSI, PASI and Pelti, 'do not fulfil' the principles on average. Three federations, PRSI, PBSI and ABTI, perform 'weakly', and KOI and Perbasi range in the 'moderate' category.

It is noted that most sports organisations provide their members with an adequate anti-doping policy along with written documents that aim to inform athletes and related stakeholders about the risks of doping practices (principle 38, 45%). However, it is uncommon for organisations to carry out an evaluation of their policies, even though it has been regarded as essential for competitive sport.

Principle 45 regarding sports for all policies achieves a score of 54%. In this context, only a minority of federations have designated persons and undertake actions to improve social cohesion and sports for all activities, while there is not any federation to conduct any evaluation of their frameworks regarding this societal responsibility principle.

Some 28% of federations have policies and apply formal procedures for providing management and governance consulting to their member organisations, which is considered 'weak' (principle 35, 28%). The sport organisations that are best at providing consultancy services about management and governance to their members are the handball federation ABTI and the badminton association PBSI with scores of 83% and 71% respectively. Two federations, KOI and Perbasi, provide a 'moderate' service about the matter, while the remaining federations do not provide this service at all.

Only a small minority of organisations apply rules to mitigate health risks in sport (principle 36, 13%). Environmental sustainability (principle 43) and dual career of athletes (principle 44) are found to be 'not fulfilled' with scores of only 16% and 4% respectively.

Overall, official policies in the societal responsibility dimension are scarce. It also appears that federations are unfamiliar with the importance of policy evaluations and other activities that ensure that members are well informed. From the interviews with representatives of the sports federations, we found that they are not well-informed on some of the NSGO principles. This could be explained by a lack of awareness for certain social issues or by the cultural organisation of sport in Indonesia, which in some aspects considerably differs to that in other parts of the world. As has been outlined above, Indonesia's sporting culture focuses very much on sporting achievements, such as the medal count at international sporting competitions. In such a context, the awareness that sports federations have a role to contribute to resolving wider societal issues appears to be low.

## Discussion and policy implications

In summary, the Indonesian sports federations score on average at 28% on all good governance dimensions. Internal accountability and control is the strongest dimension in the Indonesian sport context with a 'moderate' score (46%), whilst democracy and societal responsibility are considered 'weak' with scores of 29% and 21% respectively. The state of transparency is of concern as it fails to fulfil the minimum criteria in the research (17%). During feedback meetings, representatives from the federations expressed that their websites, along with their minimum organisational information, often come at the bottom of their priority lists. They mentioned that they are more concerned about their athletes and the government directives about medal achievements. Therefore, it should not be concluded that sports federations are not willing to comply with the principles. It appears that it is more the lack of awareness that presents obstacles for more transparent governance structures and processes in the Indonesian sport context.

Moreover, some small federations do not have a website to provide information. Representatives of these federations brought up that there is a lack of capacity, both in terms of financial and human resources, to build a moderate platform for disclosing documents to the public. Generally, they agreed that this issue has a connection to state directives in relation to medal achievements. The government funding that has been granted to federations are allocated substantially to their national training centre programmes, which aim at the participation in international championships and the Olympic Games.

As implied in earlier sections of this report, the sports federations could also take another step in order to provide basic organisational information in the public domain. Given the political context in the country, conflicts of interest are not out of ordinary. Therefore, a register on declaration of conflicts of interest is becoming vital for the development of sports governance in Indonesia.

The appreciable state of accountability and control in Indonesian sports is mostly boosted by federations that are led by experienced top-level executives. An example is seen in one federation that has a high level of accountability related to commercial and sponsorships policy. That federation has built a thorough financial audit system, so that sponsorship bids become more sensible for targeted private companies. However, findings show that the low score on regulations that measure conflicts of interest, almost certainly is an area for improvement in most organisations.

The national federations have, for the most part, grasped the democratic processes dimension. Electoral regulations in Indonesian sports organisations are closely related to the landscape of a deliberative rather than a voting system. In regard to policy processes, representatives of certain relevant stakeholder groups, such as athletes, referees, and coaches, are not presented in their legal frameworks.

It is inevitable that the Indonesian sporting landscape needs some improvement. The role of the nomination committee, in many cases, is arguably lacking. This ad-hoc based

committee is only formed once in a quadrennial cycle, while there are no clear policies about its composition. Moreover, disclosure of information regarding remuneration, both for the board members and the management team, is uncommon in Indonesia. Data also shows that evaluation measures do not manifest in any formal provision. Unappealing scores in various areas may explain why public confidence remains low toward the country's sports organisations.

Even though societal responsibility is the second lowest dimension, there are actually a number of actions that have been taken by the federations. For instance, with regards to anti-doping programs, half of the sample federations have anti-doping regulations and conduct events to educate and raise awareness on the matter. This good standard of an anti-doping policy is positively affected by affiliations with its international federations.

On the other hand, gender equality and athletes' dual career initiatives become principles that demand a thorough educational program to ensure that the actors are aware of the importance of these matters. On the dimension of gender equality all sports federations have a score of 0%. During interviews, participants admitted that they have not included gender sensitive provisions and argued that gender proportion have been equally in place. It is also found that written policies about societal responsibility are mostly focused on anti-doping and match-fixing regulations.

From those perspectives, this report sheds light on the overall low awareness of good governance among prominent sport actors in the country. Findings after quantitative and qualitative inquiries are also able to further delineate the sporting conditions in Indonesia. Then, the question is whether sports organisations are willing to improve their compliance with good governance standards. Thus, a closer examination is needed to tackle a couple of notable constraints that might arise:

1. **Environmental setting:** It is widely accepted that sports organisations are not isolated from political, socio-cultural, and economic factors around their institutions. It is believed that these framework settings often shape the actors' perspectives about good governance. We have mentioned before that there should be a further analysis to determine if all federations are able to implement good governance principles. The question arises due to the fact that federations are established in different backgrounds. Federations whose history date back to the pre-independence and the founding of the nation periods are having a more complex bureaucratic system that might hinder implementation of good governance.
2. **Organisational capacity:** Implementation of good governance undoubtedly requires capital in terms of both financial and human resources. Then, to form a solid foundation on this matter, related stakeholders should call for actions to improve the capability of the actors in the federations. However, it is noted that inequality across the organisations, in relation to economic performance, can limit federations in implementing good governance recommendations.

## References

- Azka, R. M. (2018, August 22). KNKG luncurkan 3 program sertifikasi tata kelola [National Governance Policy Committee launches three governance certification programs]. *Bisnis Indonesia*. <https://ekonomi.bisnis.com/read/20180822/9/830335/knkg-luncurkan-3-program-sertifikasi-tata-kelola>
- Badan Standarisasi dan Akreditasi Nasional Keolahragaan [National Sports Standardisation and Accreditation Body]. (n.d.). *Standar pengelolaan* [Governance standard]. Retrieved September 3, 2020, from <http://bsank.go.id/standar-pengelolaan>
- Bünte, M., & Ufen, A. (2009). The New Order and its legacy: Reflections on democratization in Indonesia. In M. Bünte & A. Ufen (Eds.), *Democratization in Post-Suharto Indonesia* (pp. 3-29). Routledge.
- Daryadi, Setiawan, A., Kurniawan, I., Oktaviany, M.F., Baharudin, A., Prasetyo, H., Budiman, I., & Agustar, D.R. (2015). *Jejak langkah KONI 1938-2015* [KONI's footprints 1938-2015]. Komite Olahraga Nasional Indonesia.
- Fadillah, N. (2017, October 27). Tersangka korupsi Asian Games 2018 divonis 4 tahun penjara [Asian Games 2018 corruption suspect sentenced to four years in prison]. *Media Indonesia*. <https://mediaindonesia.com/read/detail/129328-tersangka-korupsi-asian-games-2018-divonis-4-tahun-penjara>
- Hidayat, F. (2019, May 20). Terbukti suap pejabat Kemenpora, Sekjen KONI divonis 2 tahun 8 bulan bui [Proved to bribe Sports Ministry's officials, KONI secretary general is sentenced to two years and eight months in prison]. *detiknews*. <https://news.detik.com/berita/d-4557257/terbukti-suap-pejabat-kemenpora-sekjen-koni-divonis-2-tahun-8-bulan-bui>
- Kementerian Pemuda dan Olahraga Republik Indonesia [Youth and Sports Ministry of the Republic of Indonesia]. (2020, January 21). *Menpora harap pengurus FORMI periode 2019-2024 dapat membantu program prioritas Kemenpora* [Sports minister hopes FORMI executive board of 2019-2024 term can assist the ministry's priority programs]. <http://kemenpora.go.id/index/preview/berita/14058>
- Dewan Perwakilan Rakyat Republik Indonesia [House of Representatives Republic of Indonesia]. (2020, February 20). *Komisi X bahas persiapan DAK tahun 2020 dengan Menpora* [Tenth Commission discusses specialised fund allocation (DAK) with Sports Minister]. <http://www.dpr.go.id/berita/detail/id/27804/t/Komisi+X+Bahas+Persiapan+DAK+Tahun+2020+dengan+Menpora>
- Komite Nasional Kebijakan Governance [National Governance Policy Committee]. (n.d.). *Profil & visi misi* [Profile & vision mission]. Retrieved September 3, 2020, from <http://www.knkg-indonesia.org/about>

- Ma'mun, A. (2019). Governmental roles in Indonesian sport policy: From past to present. *The International Journal of the History of Sport*, 36(4-5), 388-406.
- Octarina, L. W. (2015). *Assessing good governance practice in Komite Olimpiade Indonesia*. (Unpublished master's thesis). Seoul National University.
- Ramadhan, A. (2020, June 29). Mantan menpora Imam Nahrawi divonis 7 tahun penjara [Former sports minister Imam Nahrawi sentenced to seven years in prison]. *Kompas*. <https://nasional.kompas.com/read/2020/06/29/18454591/mantan-menpora-imam-nahrawi-divonis-7-tahun-penjara>
- Rusdianto, M. (2016). *Media coverage of sport organisations in Indonesia: Content analysis of Kompas national daily newspaper of Kemenpora, KONI and KOI*. (Unpublished master's thesis). Seoul National University.
- Setayesh, M. H., & Daryaei, A. A. (2017). Good governance, innovation, economic growth and the stock market turnover rate. *The Journal of International Trade & Economic Development*, 26(7), 829-850. <http://dx.doi.org/10.1080/09638199.2017.1334809>
- Setiap hari terbit lima media massa baru pasca-reformasi [Five new mass medias launched per day in post-reformasi]. (2008, February 15). *Antara News*. <https://www.antaranews.com/berita/93625/setiap-hari-terbit-lima-media-massa-baru-pasca-reformasi>
- Setiawan, K. (2019). The omnipresent past: Rethinking transitional justice through digital storytelling on Indonesia's 1965 violence. In L. Kent, J. Wallis, & C. Cronin (Eds.), *Civil society and transitional justice in Asia and the Pacific* (pp. 63-81). Australian National University Press.
- Shalihah, N. F. (2020, May 12). Trending Topic Taufik Hidayat dan Lingkaran Korupsi di Kemenpora... [Taufik Hidayat trending topic and corruption cycle at the Youth and Sports Ministry]. *Kompas*. <https://www.kompas.com/tren/read/2020/05/12/165200865/trending-topic-taufik-hidayat-dan-lingkaran-korupsi-di-kemenpora-?page=all>
- Sharma, B. (2009). *Voice, accountability and civic engagement: A conceptual overview* (Discussion paper 14). UNDP Oslo Governance Centre. <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/3349.pdf>
- Transparency International. (n.d.). *Our work in Indonesia*. Retrieved September 2, 2020, from <https://www.transparency.org/en/countries/indonesia>
- VOCASPORT Research Group. (2004). *Vocational education and training in the field of sport in the European Union: Situation, trends and outlook*. European Observatoire of Sport and Employment.

World Bank. (n.d.). *GDP per capita - Indonesia*. Retrieved September 2, 2020, from <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=ID>

Yuwanto, E. (2020, August 27). Delapan induk cabor diterima jadi anggota baru KONI [Eight sports federations inaugurated as new KONI's members]. *Republika*. <https://republika.co.id/berita/qfq44n438/delapan-induk-cabor-diterima-jadi-anggota-baru-koni>

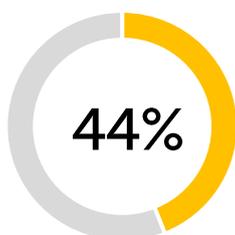
# NATIONAL SPORTS GOVERNANCE OBSERVER

## COUNTRY REPORT: LITHUANIA

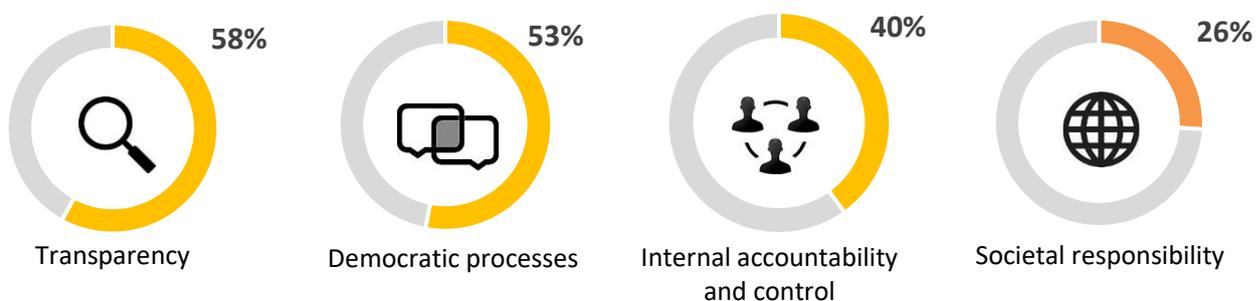
## Key results: Lithuania

Figures 1, 2, and 3 show Lithuania’s main NSGO scores. Table 1 summarises the surveyed federations’ principle scores by showing their corresponding labels.

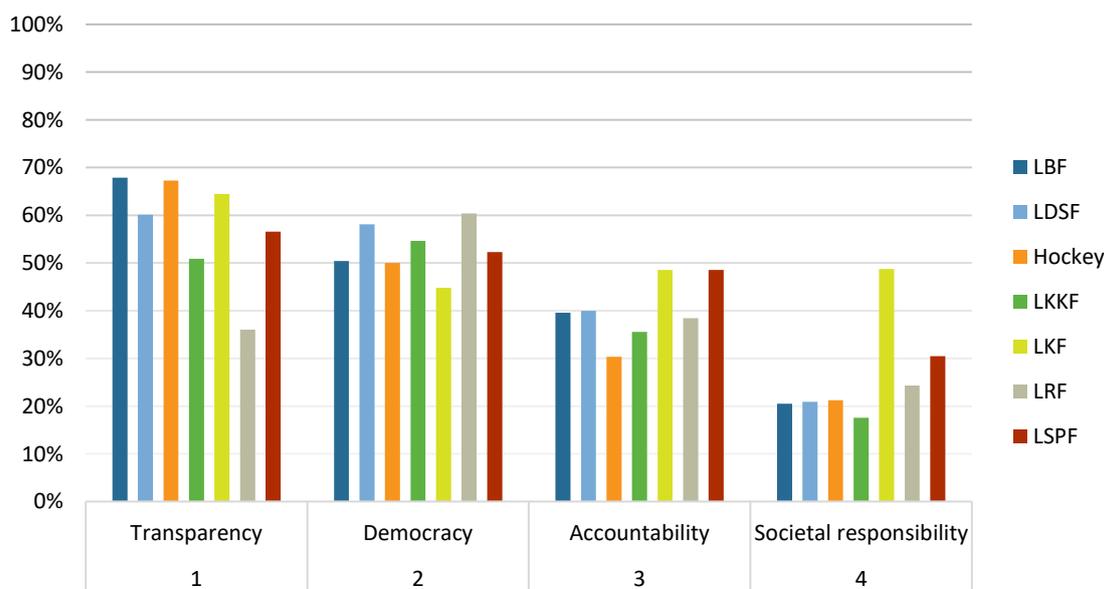
**Figure 1: Lithuania’s overall NSGO index score**



**Figure 2: Lithuania’s scores on the four NSGO dimensions**



**Figure 3: The surveyed Lithuanian sports federations’ scores on the four NSGO dimensions**



Federations’ full names and sizes can be seen in table 2.

**Table 1: The surveyed Lithuanian federations' scores on the 46 NSGO principles**

	Principle	LBF	LDSF	Hockey Lietuva	LKKF	LKF	LRF	LSPF
Transparency	1. Legal and policy documents	Green	Green	Green	Green	Green	Green	Green
	2. General assembly	Green	Green	Green	Yellow	Green	Yellow	Green
	3. Board decisions	Green	Green	Yellow	Green	Yellow	Red	Yellow
	4. Board members	Orange	Orange	Orange	Red	Orange	Red	Red
	5. Athletes and clubs	Green	Green	Green	Green	Green	Orange	Green
	6. Annual report	Yellow	Yellow	Green	Yellow	Green	Green	Yellow
	7. Remuneration	Orange	Orange	Orange	Red	Orange	Orange	Orange
Democratic processes	8. Elections of board members	Yellow	Orange	Green	Green	Orange	Yellow	Orange
	9. Policy for differentiated board	Red	Red	Red	Red	Red	Red	Red
	10. Nomination committee	Red	Red	Red	Red	Red	Red	Red
	11. Quorums	Green	Green	Green	Green	Green	Green	Green
	12. Term limits	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
	13. Member representation	Green	Green	Green	Green	Green	Green	Green
	14. Regular board meetings	Green	Green	Green	Green	Yellow	Green	Green
	15. Athletes' participation	Orange	Orange	Red	Orange	Orange	Yellow	Yellow
	16. Referees' participation	Green	Green	Green	Green	Green	Green	Green
	17. Coaches' participation	Green	Green	Yellow	Green	Green	Green	Green
	18. Volunteers' participation	Red	Green	Red	Green	Red	Green	Red
	19. Employees' participation	Green	Green	Green	Red	Green	Green	Green
	20. Gender equality policy	Red	Red	Red	Red	Red	Red	Red
Internal accountability and control	21. Supervision of board	Green	Green	Yellow	Green	Green	Green	Green
	22. Board resignation procedures	Red	Green	Red	Red	Red	Yellow	Yellow
	23. Board eligibility rules	Green	Yellow	Red	Green	Orange	Yellow	Orange
	24. Clear governance structure	Yellow	Green	Orange	Orange	Green	Green	Green
	25. Supervision of management	Orange	Orange	Orange	Red	Red	Orange	Orange
	26. Audit committee	Green	Green	White	Green	Green	Green	Green
	27. Financial controls	Orange	Orange	Orange	Red	Yellow	Green	Green
	28. Board self-evaluation	Red	Red	Red	Red	Red	Orange	Red
	29. External audit	Yellow	Yellow	Yellow	Yellow	Green	Yellow	Yellow
	30. Code of conduct	Green	Green	Green	Green	Green	Red	Green
	31. Conflict of interest procedures	Orange	Red	Red	Orange	Orange	Red	Orange
	32. Complaint procedure	Red	Red	Yellow	Orange	Green	Red	Yellow
	33. Appeal procedure	Orange	Orange	Orange	Orange	Green	Red	Yellow
	34. Board meeting schedule	Red	Red	Red	Red	Orange	Red	Red
Societal responsibility	35. Governance consulting	Orange	Orange	Orange	Orange	Green	Orange	Orange
	36. Mitigating health risks	Yellow	Orange	Red	Yellow	Green	Red	Yellow
	37. Combating sexual harassment	Red	Red	Orange	Red	Orange	Red	Yellow
	38. Anti-doping	Orange	Yellow	Green	Green	Yellow	Yellow	Green
	39. Social inclusion	Red	Orange	Yellow	Red	Green	Green	Orange
	40. Anti-discrimination	Red	Red	Red	Red	Yellow	Red	Yellow
	41. Gender equality	Red	Orange	Red	Red	Red	Red	Red
	42. Anti-match-fixing	Orange	Orange	Yellow	Orange	Green	Green	Yellow
	43. Environmental sustainability	Red	Red	Red	Red	Red	Red	Red
	44. Dual careers	Orange	Orange	Orange	Orange	Orange	Orange	Red
	45. Sport for all	Orange	Orange	Orange	Orange	Green	Orange	Orange
	46. Athletes' rights	Red	Red	Red	Red	Red	Red	Red

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

By Irena Valantine<sup>39</sup> and Ingrida Grigaliunaite<sup>40</sup>

## Overview

This chapter on Lithuanian sports organisations benchmarks seven Lithuanian national sports federations covering boxing, cycling, hockey, kyokushin karate, basketball, rugby, and modern pentathlon. The data collection began in October 2018, and interviews with a majority of the federations took place in November and December 2018.

The overall NSGO index score of the Lithuanian national sports federations is 44%, which constitutes a 'moderate' score. This chapter reveals that the organisations achieve moderate scores in certain areas, while in other areas they perform a bit weaker. The organisations received particularly higher scores in areas where regulatory policies have been implemented. The transparency, democratic processes and internal accountability and control dimensions scored 'moderate', while the societal responsibility dimensions was evaluated as 'weak'. Generally, it can be concluded that the majority of the Lithuanian sports organisations have similar strengths and weaknesses related to the implementation of good governance principles.

Section two discusses the background and the context of the Lithuanian sporting landscape, including the structure and the system of the sports sector, as well as policies and specific regulations. The third section discusses the methods used for gathering and analysing data, while section four presents the results of the study, focusing on the organisations' strengths and weaknesses. Finally, section five discusses the results and presents policy implications.

---

<sup>39</sup> PhD, Professor, Lithuanian Sports University, Kaunas

<sup>40</sup> M.Sc., Lithuanian Sports University

## Context

### The sports system

After Lithuania restored its independence in 1990, all spheres of public life, including sports, faced significant changes and challenges. Lithuania abolished the Soviet sports governance model, which was based on a sole state governance and where professional sports were officially non-existent. The Lithuanian National Olympic Committee, which was re-established in 1988 and the newly established Department of Physical Education and Sports to the Government of Lithuania played a great role in reforming the Lithuanian sports system, searching for new directions and making international contacts. Gradually, Lithuania began shifting to a modern sports governance model. A club system was developed according to the example of Western countries, the federations of various sports gained total independence, and new public sports organisations were founded.

In 1992, the Constitution of Lithuania was adopted by Lithuanian citizens in a referendum. Article 53 of the Constitution stipulated that the state promotes physical culture within the society and supports sport. In this regard, sport became a constitutional value in Lithuania. In 1995, the Parliament of Lithuania adopted the complex Law on Sports and Physical Education, which became the basis for the legal regulation of sports in Lithuania. The Sports Law divided sport governance functions between state institutions and self-governance bodies, laid down legal grounds for professional sports, and established the main principles for the organisation of sports events (Lietuvos kūno kultūros ir sporto valstybinio valdymo raida).

### Sports regulation

In Lithuania the Ministry of Education, Science and Sport is responsible for the formation, coordination and implementation of sports policies. Currently, sport is regulated by the following Laws of the Republic of Lithuania:

- Law on the Development of Non-Governmental Organisations
- Anti-Doping Convention
- Additional Protocol to the Anti-Doping Convention
- Law on Associations
- European Convention on Spectator Violence and Misbehaviour at Sports Events and in particular at Football Matches
- Law on the Social Integration of the Disabled
- Law on the Fund for Physical Education and Sport
- Law on Physical Education and Sport
- Law on Amending and Supplementing Article 41 of the Law on Physical Education and Sports (2012)
- Law on Amending and Supplementing Article 41 of the Law on Physical Education and Sports (2015)
- Law on Charity and Support
- The Law on Volunteering

- International Convention against Doping in Sport
- Law on Local Self-Government (Department of Physical Education and Sport, 2018).

On the date of the research, one of the most important legislation related to sports is the Law on Physical Education and Sports and its amendments (Republic of Lithuania, 1995). This law:

- lays down the principles of physical education and sports
- regulates the competence of state and municipal institutions in the field of physical education and sports
- regulates the organisation of physical education and sports
- regulates the competence of non-governmental physical education and sports organisations in the development of physical education and sports
- controls the training of athletes
- develops a system of competitions
- regulates activities of physical education and sports specialists and the basis of the development of professional sports
- defines principles of the organisation of sports competitions and events as well as lays down the requirements for sports facilities.

According to this law, physical education and sports activities shall be based on the following principles:

- Equality – to seek to create conditions for all to go into sports, without discrimination on the grounds of sex, age, disability, religion or belief, sexual orientation, and social or economic status
- Safety of spectators and participants of sports events – to avoid incidents within and outside stadia, enhance the reduction of violence amongst spectators, encourage appropriate organisation of activities of sports fans’ clubs and good behaviour of their members
- Anti-doping – to protect the main right of athletes to participate in sport without doping
- Sport manipulation prohibition – this principle implies that persons are prohibited from manipulating sports competitions and that the right of the public to fair sporting competitions must be protected and fair competitions between athletes guaranteed
- Continuity – state, municipal and non-governmental sports organisations shall create appropriate conditions for persons with sporting talent to continually engage in sporting activities
- People self-determination and freedom of choice – individuals have the right to freely choose the forms of physical activity and sports, establish associations that unite their members on a sporting basis, and engage in sports activities

- Promoting public participation in physical activity – this principle means that state and municipal institutions encourage people to engage in sports activities to the greatest extent possible.

The Lithuanian sports system includes the following areas:

- Physical activity
- High performance sport

Competences of the Parliament of the Republic of Lithuania, government and other state institutions in the field of sport are:

- On the recommendation of the government, the parliament approves sports strategies, which set out the priorities and long-term goals.
- The Ministry of Education, Science and Sport forms the state sports policy, and organises, coordinates, and controls its implementation.
- Other state institutions perform the functions assigned to them by Lithuania's sports law, other laws and government resolutions in the field of sports and create conditions for the development of sports.

## Sport financing

The financing of sports consist of:

- state budget funds
- municipal budgets
- other funds.

The state budget funds are distributed through the sports support fund and are allocated for the implementation of sports projects related to the

- acquisition of sports equipment
- organisation of sporting events
- development of qualifications
- activities that promote the development of physical activity
- development, maintenance, and renovation of existing sports facilities.

The sports federations seeking to receive state or municipal budgets to implement high performance sport programmes must meet the following criteria related to good governance:

- Provision of rules for the safety of sports competitions, approved in accordance with the procedure established by their statutes
- Implementation of an approved code of ethics and responsibility for
  - violations of the code of ethics

- violations of the World Anti-Doping Code
- the manipulation of sporting competitions
- violent behaviour during sporting competitions
- Adoption of a strategic action plan, which sets out the goals and planned achievements for the next four years
- Publication on their websites of
  - decisions taken by the federation concerning the formation of national teams of all ages
  - the annual budget of the federations (distinguishing the costs for administration of the federations' activities)
  - the code of ethics
  - the strategic action plan
  - the high performance sports programme
  - reports on the implementation of the high performance sport programme
- Implementation of a rotation of the members of the governing body of the sports federations, providing the maximum possible number of terms for the same person.

To summarise, it can be assumed that the laws and sporting regulations in Lithuania promote the implementation of the principles of good governance through the allocation of funding. Hence, federations have to adhere to certain principles in order to receive funding. Consequently, most of the organisations score 'very good' at implementing the specific principles.

## Methods

This chapter describes the national sports federations involved in the NSGO benchmarking and how data was collected and analysed.

A sample of seven national sports federations was selected in accordance with the standardised NSGO methodology. Six out of the seven federations that participated in the survey are Olympic sports federations (boxing, cycling, hockey, basketball, rugby, modern pentathlon). Four out of the seven federations are strategic sports in Lithuania (boxing, cycling, basketball, modern pentathlon) (Republic of Lithuania, 2017). Since 2013, a sport is considered to be strategic if it was included in the Olympic Games or in the Winter Olympics programme and athletes have won at least one of the following places: 1st-8th place at the Olympic Games and the Winter Olympics, 1st-6th place at the World Championships, 1st-3rd place at the European Championships, ranking 1st-30th in the rating classification of the Association of Tennis Professionals (ATP) or the Women's Tennis Association (WTA) (Republic of Lithuania, 2017).

Six out of the seven organisations that participated in the survey have less than ten employees, thus they apply only to basic indicators. One organisation had more than ten, but less than 30 employees. Consequently, it applies to basic and intermediate indicators, according to the NSGO classification scheme.

Data collection was conducted in accordance with the standardised NSGO data gathering process. Based on the completeness of the study, in phase 1 of the research it was decided to select seven Lithuanian sports organisations. The selection of the organisations was conducted in accordance with the report of the 'National Sports Governance Observer' in order to compare the situation in Lithuania with that in other countries. All the organisations were contacted via e-mail by providing basic information about the research, its objectives and possible benefits. In phase 2, a content analysis of the websites of the seven selected federations was performed. Websites, documents and publicly available information were analysed according to the NSGO methodology. All collected data was filled in the standardised score sheets, where the pre-filled form was filled in by selecting 'yes' - information was provided, or 'no' - information was not provided. On the basis of the information received, a first preliminary assessment was obtained. This phase was carried out from 10 October to 10 November 2018. In phase 3, the federations were introduced to the first preliminary assessment and were asked to provide missing data and evidence. For more detailed information structured interviews were conducted. Each interview lasted up to two hours and for each of the questions the interviewees were able to select only one answer 'yes' or 'no'. This phase was carried out from 12 November to 20 December 2018. In phase 4, the score sheets were complemented with the additional data provided. Evidence and comment sections of the sheet were also filled. Due to the additional data, more detailed and more reliable evaluation results have been obtained. In phase 5, the final scoring was provided to the organisations and their feedback was received. In phase 6, the results of the research were formulated and conclusions were drawn based on the final evaluations.

The federations' scores were aggregated on the basis of the standardised NSGO score sheets. The NSGO includes various combined indicators to get meaningful scores. First of all, the result is calculated for each of the 46 principles, based on the average results of the indicators. Secondly, a score is assigned to each NSGO dimension, based on the average scores of the principles. Finally, the NSGO index score is calculated on the basis of the four NSGO dimension averages. All indicators have the same weight for every principle, all principles have the same weight for every dimension and all dimensions have the same weight in the calculation of the overall NSGO index score (Geeraert, 2018). Table 2 provides general information about the sports organisations that participated in the survey.

**Table 2: Sport, official acronym, official name, received funding, affiliated clubs, and employees of sample federations**

Sport	Official acronym	Full organisation name	Most recent annual government funding (EUR)	Number of affiliated clubs	Number of paid employees
Boxing	LBF	Lietuvos Bokso Federacija	110,063	49	Less than 10
Cycling	LDSF	Lietuvos Dviračių Sporto Federacija	190,699	42	Less than 10
Hockey	Hockey Lietuva	Asociacija Hockey Lietuva	131,055	50	Less than 10
Kyokushin Karate	LKKF	Lietuvos Kyokushin Karate Federacija	116,805	54	Less than 10
Basketball	LKF	Lietuvos Krepšinio Federacija	760,135	130	10 or more but less than 30
Rugby	LRF	Lietuvos Regbio Federacija	111,038	17	Less than 10
Modern pentathlon	LSPF	Lietuvos Šiuolaikinės Penkiakovės Federacija	131,986	9	Less than 10

## Results

The average NSGO index score of the Lithuanian sports federations is 44%, which corresponds to a 'moderate' label. Therefore, it can be said that there is 'moderate' governance within the national sports federations in Lithuania. The spread between the organisation with the highest and the lowest NSGO index score is relatively small – 12%. On average, the sports organisations score the highest on the dimensions of transparency (58%) followed by the dimension of democratic processes (53%), which are considered 'moderate'. A lower, but still 'moderate' score was achieved for internal accountability and control (40%). The only 'weak' score was achieved for the societal responsibility dimension (26%). Further in the work, each of the four dimensions (transparency, democratic processes, internal accountability and control, societal responsibility) will be discussed.

### Dimension 1: Transparency

On average, the Lithuanian sports organisations received the highest score on the dimension of transparency (58%). However, this dimension also sees the largest spread between the organisations with the highest and the lowest score (32 percentage points) of all dimensions. In the dimension of transparency, the best evaluated principle received a 93% score, while the worst evaluated principle scored 19%.

Most of the organisations received 'moderate' to 'very good' scores on publishing legal and policy documents as well as publishing general assembly decisions. Also, the majority of the federations received 'moderate' to 'very good' evaluations on publishing annual reports including financial statements. The federations received a 'moderate' score on publishing information about their members (athletes and clubs) on their websites.

The sports organisations scored 'not fulfilled' and 'weak' on two principles: 'Board members' (principle 4) and 'Remuneration' (principle 7). Thus, it can be assumed that the organisations do not publish information about their board members on their websites nor regulations and reports on the remuneration, including compensation and bonuses of their board members.

It can be concluded that the Lithuanian sports organisations are relatively transparent about their statutes, internal regulations, multi-annual policies, agendas, minutes of their general assemblies, and annual reports. However, the organisations are much less transparent when it comes to remuneration and board members. Although the majority of the organisations' websites list the names of the board members, there is a lack of more detailed information, such as their professional backgrounds and mandate terms.

Below the average scores per principle for the transparency dimension of the seven Lithuanian sports organisations are shown:

**Table 3: Transparency – average scores per principle**

Principle Number	Principle	Average Score
1	The organisation publishes its statutes/constitution, international regulations, organisation chart, sports rules and multi-annual policy plan on its website.	93%
2	The organisation publishes the agenda and minutes of its general assembly meeting on its website.	75%
3	The organisation publishes board decisions on its website.	64%
4	The organisation publishes information about its board members on its website.	19%
5	The organisation publishes information about its members (athletes and clubs) on its website.	72%
6	The organisation publishes an annual report, including financial statements, on its website.	59%
7	The organisation publishes regulations and reports on the remuneration, including compensation and bonuses, of its board members on its website.	21%

## Dimension 2: Democratic processes

In the Lithuanian sports organisations surveyed the dimension of democratic processes was evaluated as ‘moderate’ with a score of 53%. The spread between the federations with the highest and the lowest scores is 15 percentage points, which corresponds to the lowest spread of all dimensions. The spread between the highest and the lowest evaluated principles, however, is large (94 percentage points).

In general, in all sports organisations, the general assembly represents all affiliated members and meets at least once a year. Also, the sports organisations ensure referees’ and coaches’ participation in policy formation. Since most of the organisations have a relatively small number of paid employees, their involvement in policy formation is ‘very good’. It can be stated that all the sports organisations establish a quorum in their statutes or internal regulations for the board and the general assembly. Also, the organisations partly ensure that board members would be democratically (re-) appointed according to clear procedures. On this principle the federations received ‘moderate’ evaluation.

The sports organisations achieved the lowest scores on the principles ‘Policy for a differentiated board’ (principle 9), ‘Nomination committee’ (principle 10), ‘Athletes’ participation’ (principle 15), and ‘Gender equality policy’ (principle 20). More precisely, the majority of the organisations do not implement a gender equality policy, do not ensure adequately formal athlete representation, do not take steps to achieve a differentiated and balanced composition of their boards, and do not have nomination committees.

In general, with some exceptions, the Lithuanian sports organisations are moderately democratic. However, for ensuring better democratic processes, the organisations need to increase the formal involvement of athletes and volunteers in decisions-making processes as well as to promote gender equality through their policies. Furthermore, the federations

should establish nomination committees and implement policies for differentiated and balanced boards.

Below the average scores per principle for the democratic processes dimension of the seven Lithuanian sports organisations are shown:

**Table 4: Democratic processes – average scores per principle**

Principle Number	Principle	Average Score
8	Board members are democratically (re-)appointed according to clear procedures.	50%
9	The organisation takes steps to achieve a differentiated and balanced composition of its board.	0%
10	The organisation has a nomination committee.	0%
11	The organisation establishes a quorum (a minimum number of attendees required to conduct business and to cast votes) in its statutes or internal regulations for the board and the general assembly.	75%
12	The organisation has established term limits as well as a retirement schedule.	50%
13	The general assembly represents all affiliated members and meets at least once a year.	96%
14	The board meets regularly.	71%
15	The organisation ensures the participation of athletes in its policy processes.	29%
16	The organisation ensures the participation of referees in its policy processes.	96%
17	The organisation ensures the participation of coaches in its policy processes.	89%
18	The organisation ensures the participation of volunteers in its policy processes.	43%
19	The organisation ensures the participation of employees in its policy processes.	86%
20	The organisation implements a gender equality policy.	2%

### Dimension 3: Internal accountability and control

The Lithuanian sports organisations received a ‘moderate’ score on the dimension of internal accountability and control (40%). The spread between the federations with the highest and the lowest scores is 19 percentage points, which corresponds to the second-lowest spread of all dimension. On the contrary, the spread between the highest and the lowest evaluated principles is large (95 percentage points).

The sports organisations received the highest scores with regards to having financial or audit committees and the general assemblies supervising the boards appropriately. A part of the organisations apply clear governance structures according to the principle of the separation of powers, and most of the organisations’ finances are externally audited by an independent auditor on a regular basis. The survey also revealed that most of the organisations have codes of conduct which apply to their employees, board members and other related members.

The sports organisations achieved the lowest scores on ‘Board self-evaluation’ (principle 28) and ‘Board meeting schedule’ (principle 34). This suggests that the federations’ boards do not perform self-assessments and do not have meeting schedules, but rather meet when need should be. The survey also revealed that the regulation of conflicts of interest is largely neglected within the Lithuanian sports organisations. Moreover, the organisations do not establish procedures regarding the premature resignation of board members.

In general, the organisations’ internal accountability and control received a mixed assessment. Federations should take into account that their boards carry out self-evaluations and set regular meeting schedules. Also it is a matter of concern that within organisations conflicts of interest are largely ignored.

Below the average scores per principle for the internal accountability and control dimension of the seven Lithuanian sports organisations are shown:

**Table 5: Internal accountability and control – average scores per principle**

Principle Number	Principle	Average Score
21	The general assembly supervises the board appropriately.	70%
22	The board establishes procedures regarding the premature resignation of board members.	31%
23	The organisation defines in its statutes those circumstances in which, due to a serious conflict of interest, a person is ineligible to serve as a member of the board.	45%
24	The organisation applies a clear governance structure according to the principle of separation of powers.	55%
25	The board supervises management appropriately.	28%
26	The organisation has an internal financial or audit committee.	100%
27	The organisation implements a financial control system.	40%
28	The board annually evaluates its own composition and performance.	5%
29	The organisation’s finances are externally audited by an independent auditor.	52%
30	The organisation has or recognises a code of conduct applicable to the members of the board, management and personnel.	61%
31	The board establishes clear conflicts of interest procedures that apply to the members of the board.	14%
32	The board establishes procedures for the processing of complaints in the internal regulations.	31%
33	The organisation’s decisions can be contested through internal or external mechanisms.	31%
34	The board adopts an annual meeting schedule.	6%

#### Dimension 4: Societal responsibility

The Lithuanian sports organisations on average score the lowest on the dimension of societal responsibility (26% - ‘weak’). The spread between the scores of the highest and lowest evaluated organisations is 31 percentage points, which corresponds to the second-largest

spread of all dimensions. Only two principles received a 'moderate' evaluation, while the majority of principles scored from 'not fulfilled' to 'weak'.

Although the dimension of societal responsibility received a considerably lower evaluation than the other dimensions, some separate principles, however, received a moderate evaluation. These two are principle 38 related to 'Anti-doping' and principle 42 regarding 'Anti-match-fixing' policies.

The lowest scores were achieved on ensuring fair treatment of professional athletes. None of the federations take actions to promote athletes' rights, thus with 0%, this becomes the worst implemented principle. On the other hand, employment contracts in Lithuania are based on a labour code, which means that organisations assume that their intervention is not necessary. The Lithuanian sports organisations poorly implement principles of athletes' dual careers, gender equality and environmental sustainability. Also, the organisations do not implement policies on combating sexual harassment, whereas, according to some representatives of the organisations, to their sport, it is not relevant.

In general, the organisations take some kind of action to implement principles of societal responsibility, however, none of them evaluate the impact of their actions.

Below the average scores per principle for the societal responsibility dimension of the seven Lithuanian sports organisations are shown:

**Table 6: Societal responsibility – average scores per principle**

Principle Number	Principle	Average Score
35	The organisation offers consulting to its member organisations in the areas of management or governance.	34%
36	The organisation implements a policy aimed at mitigating the health risks of sporting activities.	35%
37	The organisation implements a policy on combating sexual harassment in sport.	21%
38	The organisation implements an anti-doping policy.	56%
39	The organisation implements a policy on social inclusion through sport.	39%
40	The organisation implements a policy combating discrimination in sport.	30%
41	The organisation implements a policy to promote gender equality in sport.	7%
42	The organisation implements a policy to combat match-fixing.	47%
43	The organisation implements a policy for the promotion of environmental sustainability.	2%
44	The organisation implements a policy on promoting the dual career of athletes.	9%
45	The organisation implements a policy on promoting sport for all.	35%
46	The organisation ensures the fair treatment of professional athletes.	0%

## Discussion and policy implications

With an average NSGO index score of 44%, the Lithuanian sports organisations achieve a 'moderate' evaluation on good governance. A number of factors, such as laws and regulations, may have influenced the moderate evaluation of the organisations. More specifically, in order for organisations to get budget funding, they must meet certain criteria, such as having established a code of ethics and a strategic action plan, publishing decisions taken by their governing bodies, annual budgets and annual reports on their websites, ensuring that internal documents include sanctions against violations of the code of ethics and the World Anti-Doping Code, the manipulation of sporting competitions, and violent behaviour during sporting competitions, having established documents that include the rotation of the members of the governing body, and providing the maximum possible number of terms for the same person. Although the organisations achieve good scores on certain principles, there is significant room for improvement in every dimension.

Regarding transparency, most organisations publish key administrative, policy and reporting documents. Thus, it can be stated that organisations try to maintain transparency and govern themselves in an open manner. On the other hand, the organisations' websites lack information about board members as well as regulations and reports on their remuneration.

In terms of democratic processes, it can be stated that all affiliated members are equally represented in the sports federations' general assemblies, which meet at least once a year. Another strength is that the organisations ensure referees' and coaches' participation in policy formation and establish quorums in their statutes or internal regulations. However, regarding democratic processes, there are some major principles which must be taken into consideration and should be improved. Those principles are related to gender equality policies, formal athlete representation, nomination committees, and steps to achieve a differentiated and balanced composition of the board.

Internal accountability and control was evaluated slightly weaker. On the one hand, the organisations received a good evaluation on having financial or audit committees and the organisations' general assemblies supervising the board appropriately. On the other hand, one of the biggest challenges faced by nearly all organisations is board self-evaluation and conflicts of interest, specifically ignoring conflicts of interest. Also, only a few federations adopt annual board meeting schedules.

Finally, societal responsibility received the lowest evaluation. Although the overall dimension was evaluated as 'weak', some separate principles scored quite well. For instance, the majority of the organisations promote an anti-doping policy and an anti-match-fixing policy. However, none of the organisations evaluate the impacts of their actions. The organisations scored weakest on principles related to gender equality, promotion of environmental sustainability, and fair treatment of professional athletes. That could be influenced by the fact that the federations do not sufficiently involve athletes and women in their decision-making processes.

Overall, higher scores were generated in areas where the activities of sports organisations are regulated by laws and legislation. On the other hand, interviews with the organisations' representatives have shown that managers express interest in good governance principles. Thus, in summary, it can be concluded that moderate evaluations of Lithuanian sports organisations were determined by external regulation and internal awareness of the organisations.

Although the sports organisations surveyed received relatively moderate scores, there is definitely space for improvement in every dimension. In general, the organisations are aware of the term of good governance; however, there is a lack of profound knowledge and practical skills on how to implement good governance principles.

## References

Department of Physical Education and Sport. Teisės aktai (Legislation). Retrieved from <https://kksd.lrv.lt/lt/teisine-informacija/teises-aktai>

Geeraert, A. (ed.) (2018). National Sports Governance Observer. Final report. Aarhus: Play the Game: Danish Institute for Sports Studies

Lietuvos kūno kultūros ir sporto valstybinio valdymo raida (Development of Lithuanian State Physical Education and Sport). Retrieved from <https://kksd.lrv.lt/lt/struktura-ir-kontaktai/istorija>

Republic of Lithuania. (1995). Lietuvos Respublikos kūno kultūros ir sporto įstatymas. (Law on Physical Education and Sport ) (Last amended in 2018). Retrieved from <https://www.e-tar.lt/portal/lt/legalAct/a55037d0dcd611e89a31865acf012092>

Republic of Lithuania. (2017). Įsakymas dėl 2017–2020 metų strateginių sporto šakų sąrašo patvirtinimo (Order for approval of the list of strategic sports for 2017-2020). Retrieved from <https://e-seimas.lrs.lt/portal/legAct/lt/TAD/770c8da0050b11e78352864fdc41e502/EOmOeYliGW>

Republic of Lithuania. (2017). Įsakymas dėl strateginių sporto šakų reikalavimų 2017 – 2020 metams nustatymo (Order on Strategic Sport Requirements for 2017-2020). Retrieved from <https://e-seimas.lrs.lt/portal/legAct/lt/TAD/efa13952044311e78352864fdc41e502?jfwid=wny8re1co>

# NATIONAL SPORTS GOVERNANCE OBSERVER

## COUNTRY REPORT: PORTUGAL

## Key results: Portugal

Figures 1, 2, and 3 show Portugal’s main NSGO scores. Table 1 summarises the surveyed federations’ principle scores by showing their corresponding labels.

Figure 1: Portugal’s overall NSGO index score

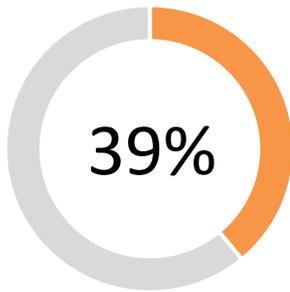


Figure 2: Portugal’s scores on the four NSGO dimensions

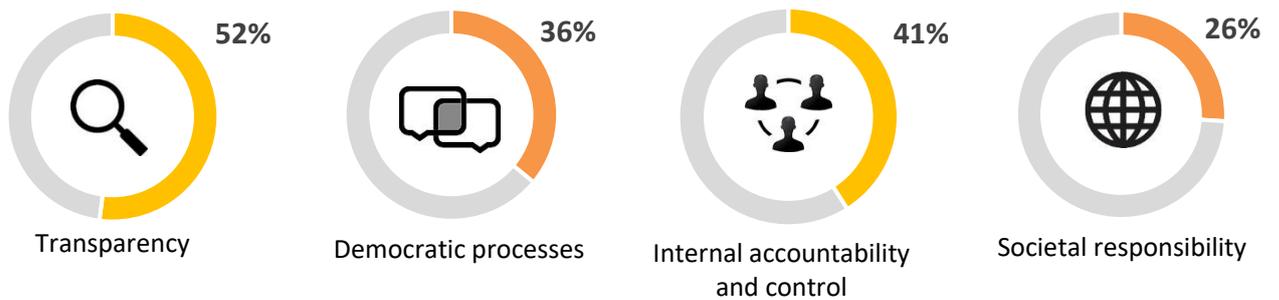
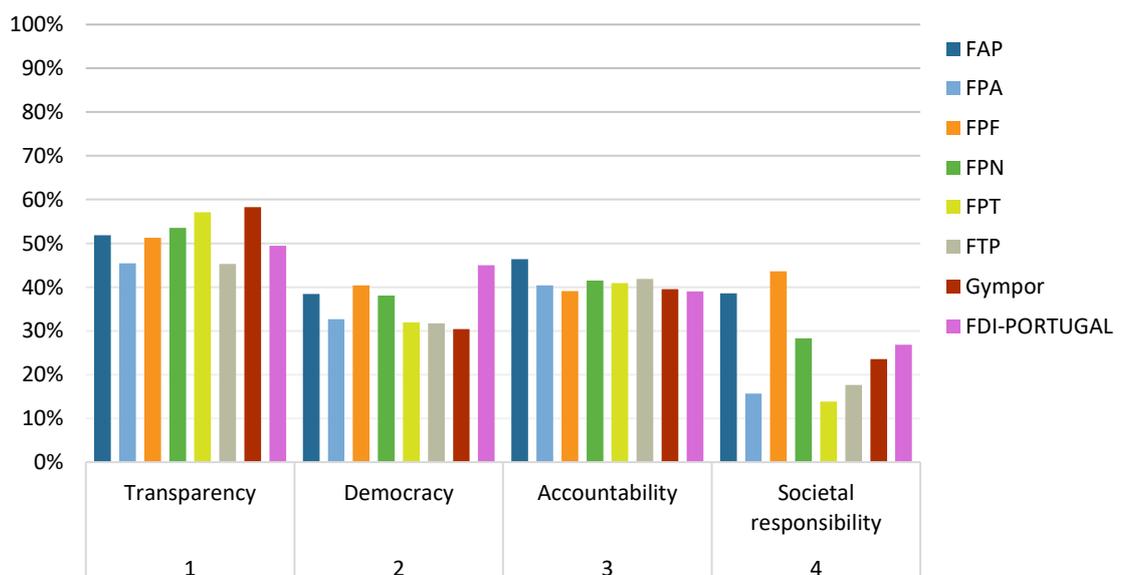


Figure 3: The surveyed Portuguese sport federations’ scores on the four NSGO dimensions



See table 2 for the federations’ full names.

**Table 1: The surveyed Portuguese federations' scores on the 46 NSGO principles**

	Principle	FAP	FPA	FPF	FPN	FPT	FTP	Gympor	FDI-POR
Transparency	1. Legal and policy documents	Good							
	2. General assembly	Good	Weak	Good	Weak	Good	Weak	Good	Good
	3. Board decisions	Not fulfilled							
	4. Board members	Weak	Weak	Not fulfilled	Weak	Weak	Weak	Weak	Weak
	5. Athletes and clubs	Good							
	6. Annual report	Weak	Weak	Weak	Good	Weak	Good	Weak	Good
	7. Remuneration	Weak							
Democratic processes	8. Elections of board members	Good							
	9. Policy for differentiated board	Not fulfilled							
	10. Nomination committee	Weak	Good						
	11. Quorums	Weak							
	12. Term limits	Weak							
	13. Member representation	Good							
	14. Regular board meetings	Good	Not fulfilled	Good	Weak	Weak	Weak	Weak	Good
	15. Athletes' participation	Weak							
	16. Referees' participation	Weak							
	17. Coaches' participation	Weak							
Internal accountability and control	18. Volunteers' participation	Not fulfilled							
	19. Employees' participation	Not fulfilled							
	20. Gender equality policy	Not fulfilled							
	21. Supervision of board	Good	Weak	Good	Good	Weak	Weak	Weak	Weak
	22. Board resignation procedures	Good	Weak	Weak	Good	Good	Weak	Not fulfilled	Weak
	23. Board eligibility rules	Good							
	24. Clear governance structure	Good	Good	Good	Weak	Weak	Good	Weak	Weak
	25. Supervision of management	Not fulfilled	Not fulfilled	Weak	Not fulfilled				
	26. Audit committee	Good	Good	Weak	Good	Good	Good	Good	Good
	27. Financial controls	Not fulfilled							
Societal responsibility	28. Board self-evaluation	Not fulfilled							
	29. External audit	Weak	Good						
	30. Code of conduct	Not fulfilled							
	31. Conflict of interest procedures	Weak							
	32. Complaint procedure	Weak	Good	Weak	Weak	Good	Weak	Good	Good
	33. Appeal procedure	Good	Weak						
	34. Board meeting schedule	Not fulfilled							
	35. Governance consulting	Not fulfilled	Not fulfilled	Weak	Not fulfilled				
	36. Mitigating health risks	Weak	Weak	Good	Weak	Not fulfilled	Weak	Weak	Not fulfilled
	37. Combating sexual harassment	Not fulfilled							
Societal responsibility	38. Anti-doping	Good	Weak	Weak	Weak	Weak	Weak	Weak	Good
	39. Social inclusion	Good	Not fulfilled	Good	Good	Not fulfilled	Not fulfilled	Not fulfilled	Weak
	40. Anti-discrimination	Weak	Not fulfilled	Good	Weak	Weak	Weak	Weak	Not fulfilled
	41. Gender equality	Good	Not fulfilled						
	42. Anti-match-fixing	Good	Weak	Weak	Not fulfilled				
	43. Environmental sustainability	Not fulfilled	Weak	Not fulfilled	Weak				
	44. Dual careers	Not fulfilled							
	45. Sport for all	Good	Weak	Good	Good	Weak	Good	Good	Good
	46. Athletes' rights	Weak	Not fulfilled	Weak	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Good

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

By Luiz Haas<sup>41</sup>

## Overview

This chapter on Portugal's sports federations benchmarks the Portuguese federations responsible for handball, athletics, football, swimming, tennis, triathlon, gymnastics, and the umbrella federation responsible for winter sports. Data were gathered from April to November 2020.

The average NSGO index score of the Portuguese federations is 39%, which constitutes a 'weak' score. Throughout the chapter, we refer to the indicators where the federations showed positive and negative results in each dimension.

Although there is no specific governance code for sports federations, the results show many similarities in the federations' statutes and internal regulations regarding the adoption of good governance practices proposed by the NSGO tool. These similarities result from specific legislation that conditions the adoption of some recommendations to the possibility of federations receiving the Public Utility Statute and, consequently, enabling the receipt of public resources.

This chapter continues as follows. The following section discusses the background and context of good governance in the Portuguese sports federations, devoting specific attention to the policies and regulations that incentivise the implementation of elements of good governance. The subsequent section discusses the methods used for gathering and analysing data. The third section discusses the findings in detail, focusing on the federations' strengths and weaknesses regarding the four NSGO dimensions of good governance. The final section summarises the main findings and explores the way forward regarding good governance in the Portuguese sports federations.

---

<sup>41</sup> PhD Candidate, University of Lisbon and Assistant Professor, Universidade Europeia, Lisbon

## Context

### Corporate governance culture

From the 1990s, significant changes started in Portugal in its legislation for the development of actions and the constitution of control bodies. Similar is the case of the Securities Market Commission (CMVM), created in 1991, which is responsible for the supervision and control of the market of companies. Founded in 2003, the Portuguese Institute of Corporate Governance (IPCG) promotes and develops corporate governance through research, dissemination, and implementation of corporate governance principles. In 2006, the IPCG launched its first publication called “White Book on Corporate Governance in Portugal”. In 2013, it published the Corporate Governance Code. In 2018, the CMVM and the IPCG launched a new code. Although corporate governance has been addressed for nearly 30 years, it still has a slow evolution in Portugal (Passos, 2017 p.68). There are still no documents published on the subject of sports governance in a Portuguese context.

### The sports system

Sport is a fundamental right provided for in the 1976 Portuguese Constitution. The Secretariat of State for Youth and Sport, allocated to the Ministry of Education, is responsible for sporting policies. The government’s role is to establish national guidelines for developing sports activities and to create technical and material conditions (i.e. equipment and facilities) for the development of sports (Mestre, 2010). The Portuguese Institute of Sport and Youth (IPDJ) is the body responsible for implementing the sports policies. The IPDJ’s role is to support the definition, implementation, and evaluation of national public policies and to support regular and high-performance sports through technical, human, and financial resources (IPDJ, 2021). Integrated in the IPDJ, the Antidoping Portuguese Authority is the national organisation responsible for doping control and education.

Three other organisations play an active role in the relationship with sports federations. Two of the organisations are the Olympic Committee of Portugal (COP) and the Paralympic Committee of Portugal (CPP), which are private organisations responsible for developing the Olympic and the Paralympic movement, respectively. Both organisations develop activities that contribute to the development of sports in Portugal. An interesting example is the Sport Integrity Programme organised by the COP. The third organisation is the Portuguese Sports Confederation. This private umbrella organisation congregates 70 sports federations and aims to represent this group in developing national and international policies.

The sports system in Portugal is characterised as bureaucratic (VOCASPORT, 2014 p. 58) with a great interventionism by the State, primarily through legislative instruments and public funding (Carvalho and Mazzei, 2019). Concerning the financing, the Portuguese sports system is structured in a model that relies primarily on public sources. Unfortunately, the existing legal and economical methods created to stimulate other sources of revenue are still not sufficient to mitigate the high dependency of the sports system on public funds (Tenreiro, 2017). In addition, ‘social games’ such as lotteries and betting are also a

crucial financing way for the Portuguese sports system, given that a levy of the 'social games' is included in the sports sector.

Regarding the legislative intervention, the first specific legislation for sports in Portugal was published in 1990. However, the Basic Law of the Sports System (Law n° 1/90 of 13 January) was revoked in 2004 by the Basic Law of Sport (Law n° 30/2004, of 21 July), which was also revoked by the current Basic Law on Physical Activity and Sport (Law No. 5/2007, of 16 January). This legislation regulates various aspects of the Portuguese Sports System, including the federated system, sports at school and university, sports in the armed forces and security forces, and sports for workers (Mestre, 2010).

Another legislation regulating sports in Portugal is the Legal Regime of Sports Federations (Decree-Law No. 93/2014 of 23 June), which guides the functioning of sports federations. This legislation determines some rules that a federation must comply with to receive public funds. After complying with a series of determinations, the federation receives the 'status of public sporting interest', which symbolises the State's endorsement. After that, the organisation has public competence for decision-making in that sport. For example, sports federations must organise and conduct their activities within the principles of freedom, democracy, representativeness, and transparency. Furthermore, they must ensure that they are independent of the State, political parties, and religious institutions. Thus, even though there is no official governance guide for sports organisations, this legislation works as a path for national federations to adopt organisational governance principles.

## Methods

There are 59 sports federations registered with public utility at the IPDJ. A sample of eight federations was chosen for the study as provided for in the standardised NSGO methodology. Thus, a total of five mandatory sports federations (athletics, football, handball, swimming, and tennis) and three recommended sports (gymnastics, triathlon, and the winter sports federation) were selected. The sample is composed of five medium federations (handball, athletics, tennis, triathlon, and gymnastics), two large federations (swimming and football), and a small federation (winter sports).

Despite not being a wholly balanced sample, the participating federations account for 58% of the number of federated athletes in Portugal (PORDATA, 2018). Furthermore, six of the eight federations are among the top ten in the number of members, namely football (1), swimming (2), handball (3), gymnastics (7), tennis (8), and athletics (9).

The data collection followed the standardised NSGO process. However, due to the pandemic situation in 2020, some phases took longer than expected, and some adaptations occurred (i.e. online meetings). It is important to note that out of the eight participating federations, two federations (football and tennis) did not respond to the invitations sent by the researcher, and despite initially responding to the invitation, one federation (athletics) did not present available for the following meetings. For this reason, these three organisations did not participate adequately in the research (meetings) and did not receive feedback on the results.

Phase one (selecting and contacting) and phase two (data gathering and first preliminary scoring) were conducted in April and May 2020. Phase three (feedback), phase four (second preliminary scoring), phase five (final feedback), and phase six (final scoring) were conducted from June 2020 until November 2020. Phase two was conducted by a group of five master students who reported to the coordinator in charge.

**Table 2: Sport, official name, and official acronym of sample federations**

Sport	Official name	Official acronym
Handball	Federação de Andebol de Portugal	FAP
Athletics	Federação Portuguesa de Atletismo	FPA
Football	Federação Portuguesa de Futebol	FPF
Swimming	Federação Portuguesa de Natação	FPN
Tennis	Federação Portuguesa de Ténis	FPT
Triathlon	Federação de Triatlo de Portugal	FTP
Gymnastics	Federação Portuguesa de Ginástica	Gympor
Winter Sport	Federação de Desportos de Inverno de Portugal	FDI-PORTUGAL

## Results

The overall Portuguese NSGO index score is 39%, which corresponds to a 'weak' label. The dimension that received the best results among the Portuguese federations was the Portuguese NSGO transparency index with a score of 52%, which indicates a 'moderate' label. At second place, the Portuguese NSGO accountability index score stands at 41%, also indicating a 'moderate' label. The Portuguese NSGO democratic processes and societal responsibility indices are 'weak' and scored 36% and 26%, respectively.

### Dimension 1: Transparency

The Portuguese sports federations received the highest score on the transparency dimension. They received 'very good' or 'good' scores on principle 1, which assesses the publication of documents such as statutes, internal regulations, rules, and a multi-year strategic plan. All federations publish statutes, internal regulations, and sports rules on their websites. However, only three federations publish the multi-annual strategic plan on their websites.

Principle 2 also received positive results in most of the national federations, with four organisations (handball, tennis, gymnastics, and football) reaching 100%. This means that these federations adequately disclose decisions taken during general assemblies. These positive results on principles 1 and 2 are related to the legislation (Legal Regime of Sports Federations) that conditions the federations to publicise statutes, internal regulations, the financial report and the annual activity plans of the last three years, the composition of the governing bodies, and the federation's contacts.

Two of the principles achieved negative results. The first is principle 3, where all the federations received a 0% score, which is labelled as 'not fulfilled'. In this way, none of the federations publish the agenda and minutes of the board meetings. It is essential to highlight that the legislation mentions that all meetings of collegiate bodies must have minutes. During the interviews, all the participants confirmed the existence of minutes of the board meetings at the federations' headquarters. However, in none of the cases, the minutes are available on their websites. The publication of these documents allows the federations' stakeholders to monitor the decisions taken by the board, thus ensuring a more transparent environment. The second principle that shows negative results is principle 7, which deals with the publication of information on the remuneration of members of the board and management of the federations. On this indicator, all the federations received a score of 25%, which is labelled as 'weak', as they all disclose information on remuneration expenses in the annual financial report. However, in general, no details about these payments are provided.

### Dimension 2: Democratic processes

The Portuguese federations received a 'weak' score on the democratic processes dimension. The highest score for a federation is 45%, and the lowest score is 30%. The first positive aspect to highlight is that all the federations have transparent processes for the election of

board members, with rules published in electoral regulations and secret ballots. For this reason, all the federations received a maximum score (100%) on principle 8. Furthermore, by law, all the federations have term limits, with a maximum of 12 years being allowed (three terms of four years).

Some of the principles received a negative and 'not fulfilled' score in all the federations. The first two are principles 18 and 19, which assess the participation of volunteers and employees, respectively, in the federations' democratic processes. None of the federations allow the participation of these two groups in political processes. However, the federations guarantee the participation of athletes (principle 15), referees (principle 16), and coaches (principle 17) in decision-making processes. The legislation influences this result as it requires these groups to be represented in the general assemblies of the federations.

Two other principles, number 9 and 20, negatively influenced the results of the democratic processes dimension. The first is related to the composition of the board. None of the federations have a documentation that establishes the board members' desired profiles (responsibility, skills, and experience). Finally, principle 20 assesses the implementation of gender equality policies in the representation of the federations' governing bodies. Only the triathlon federation did not obtain a score of 0%. However, it only fulfilled one indicator (20.6) of this principle and obtained a result of 17%. It was the only federation that stated in its statute that at least 25% of the general assembly delegates representing athletes, coaches, and referees must be women.

### Dimension 3: Internal accountability and control

The Portuguese federations received a 'moderate' score in the internal accountability and control dimension. In this dimension, the results were more homogeneous among the federations. The highest score for a federation was 46%, and the lowest score was 39%.

The positive results in the internal accountability and control dimension were on principles 23, 26, and 33. The first principle deals with the limitations in the statutes for members of the board who are ineligible due to serious conflicts of interest. Seven of the eight federations received maximum scores (100%) on this principle. Thus, the federations have limitations for board members in the statutes on matters such as being an employee of a company that does business with the federation, being a member of a federation's internal judicial body, or being an active national politician. The second principle relates to internal financial committees. On this principle, five of the eight federations received the highest score (100%), which demonstrates the existence of an auditing system within the federations. Finally, on principle 33, which assesses the internal mechanisms for contesting decisions, four of the federations received the highest score (100%). Thus, we can consider that there is an internal justice system that allows athletes, coaches, referees, and delegates to appeal sporting sanctions through well-established rules and procedures.

Most of the federations received negative scores on some principles. For example, on principle 28, it was verified that the federations' boards do not evaluate their composition and performance. Furthermore, a document that reports an evaluation of the board in the last

12 months was not found in any of the federations. Nor was it found in any statutes or internal regulations to indicate the need for this type of action. Still, in the context of the board's functioning, no document that indicates the board's meeting agenda and contains information on dates where essential matters, such as budget, annual plan, management evaluation, and financial matters, will be discussed, was found.

Principle 30, which deals with the code of conduct applicable to board and management, also received low scores in all the federations. Although some of the federations publish a code of conduct on their websites, these documents aim to control the competition environment and are focused on athletes, coaches, and referees.

## Dimension 4: Societal responsibility

The Portuguese sports federations received the lowest scores on societal responsibility (26%). The highest score for a federation was 44%, and the lowest score was 14%. The lack of indications for actions within the legislation is one of the reasons for these results. As there are no legal obligations, the federations end up neglecting many of the issues of this dimension. Even though the results are not positive, it is in the dimension of societal responsibility where there is an excellent room to develop good governance practices.

Of the subjects in the societal responsibility dimension, two principles received good scores. First, the 'sport for all' principle, number 45, obtained scores between 'moderate' (50%) and 'very good' (83%). Second, on the principle 38 on anti-doping, the federations received results between 'moderate' (43%) and 'good' (71%).

The subjects of health risks in sports, combating sexual abuse, promoting gender equality in the practice of sports, environmental sustainability, and the dual career of the athletes received mostly 'not fulfilled' scores. During the interviews, many representatives of the sports federations commented that the cause of the lack of formal and written policies on societal responsibility dimension issues are limitations in the financial and human resources. It is possible to confirm this point by identifying the difference between the final score of the football federation, which is the largest federation in Portugal, and the other federations. However, there were no significant differences when comparing the medium and small federations.

## Discussion and policy implications

The results shed some light on the need to reflect on good governance practices in Portugal. The overall score of 39% is qualified as 'weak'. However, it can be seen as an opportunity for the sports system to identify new paths for developing good governance in the sports federations.

The highest score was found on the transparency dimension. Many essential documents are published, and stakeholders can find important information quickly through the federations' websites. However, there are still crucial documents that can be quickly published. For example, it was mentioned during the interviews that the minutes of the board meetings are only available in the minutes' book at the federations' headquarters. It is also possible to pay more attention to the publication of information about the remuneration policies for board and management (reimbursements) and the work agenda of the standing committees.

Regarding democratic processes, the federations ensure the main interest groups' (athletes, coaches, referees, and clubs) participation in the political environment. Transparent democratic processes are also guaranteed through electoral regulations that are available on the federations' websites. Furthermore, more attention needs to be paid to gender equality issues in decision-making processes. In Portugal, the participation of women in internal bodies in sports federations is still limited. Finally, we draw attention to the importance of creating more elaborate practices for choosing the members of the boards and permanent committees in the federations. These procedures can be improved by creating nomination committees and documents with each body's desired profiles and competencies.

Regarding internal accountability and control, it was found that there are structured internal control systems especially in the financial area, conflicts of interest, and in the sports justice system. It is necessary to advance towards the elaboration of better codes of conduct for the sports federations. These documents should specifically address issues related to expected conduct by members of the board and the permanent committees and be more specific about the investigation of cases, possible sanctions, and penalties for those found guilty. Creating policies and processes for the self-assessment of board members is also an issue that can be better developed in the organisations. Such a practice can help to improve the board's effectiveness and performance.

Finally, the poorest results were found in the societal responsibility dimension. The federations do not formally develop many of the subjects covered in this dimension. Thus, there are no specific policies to combat many of the problems that plague sports, such as sexual abuse, discrimination, health care for practitioners, environmental sustainability, among others. Therefore, the federations must find external partners who can contribute to the development of these themes. Those partnerships can transfer specific knowledge on dealing with such delicate issues and even support submitting projects to find funding in development agencies.

The results lead us to reflect on the strong influence of legislation on the sports federations in Portugal. On the one hand, it is positive that the legislation obliges the federations to adopt certain principles, such as the term limit, the publication of internal documents, the functioning of the electoral process, and the functioning of the internal bodies. On the other hand, the legislation generates an environment of isomorphism in the structure and limitations in creating new governance models for the federations. Some of the essential issues in debates about good governance practices in sport, such as gender equality, control and evaluation of board members, or indicators of the societal responsibility dimension, still need to be better developed.

Finally, it is essential that the organisations that determine sports policies in Portugal establish a guide of good governance practices for the federations. This document must be built together with the federations and other organisations of the sports system (i.e., clubs and regional associations), in a joint initiative that can propose different solutions for organisations with different sizes in the number of players, affiliated clubs, and annual budget.

## References

Carvalho, M.J. & Mazzei, L. (2019). Estado: intervenção no desporto. In Correia, A. & Biscaia, R. (eds.) *Gestão do desporto: compreender para gerir* (pp. 83-99). Faculdade de Motricidade Humana.

Mestre, A.M. (2010). Sport Governance in Portugal. *The International Sports Law Journal*, 1-2, 32-38.

Passos, C. (2017). Governo das sociedades–diagnóstico da situação em Portugal. *Gestão e Desenvolvimento*, (25), 121-147.

PORDATA - Bases de dados Portugal Contemporâneo (2018). *Praticantes desportivos federados: total e por algumas federações desportivas*. <https://www.pordata.pt/Portugal/Praticantes+desportivos+federados+total+e+por+algumas+federações+desportivas-2226>

Tenreiro, F. (2017). Um instrumento de financiamento do desporto. *Lusíada. Economia & Empresa*, 22, 145-165.

VOCASPORT Research Group (2004). *Vocational education and training in the field of sport in the European Union: situation, trends and outlook*. Lyon: European Observatoire of Sport and Employment. Available at <http://eose.org/wp-content/uploads/2014/03/vocasport-Final-Report-English-Version.pdf>

# NATIONAL SPORTS GOVERNANCE OBSERVER

## COUNTRY REPORT: SERBIA

## Key results: Serbia

Figures 1, 2, and 3 show Serbia's main NSGO scores. Table 1 summarises the surveyed federations' principle scores by showing their corresponding labels.

Figure 1: Serbia's overall NSGO index score

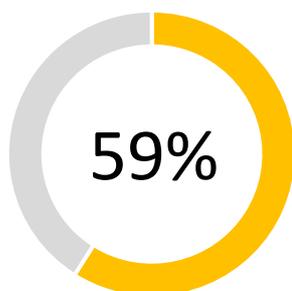


Figure 2: Serbia's scores on the four SGO dimensions

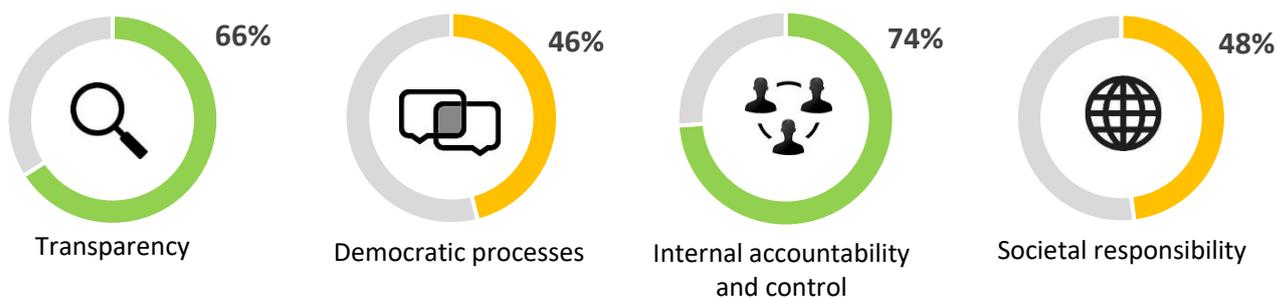
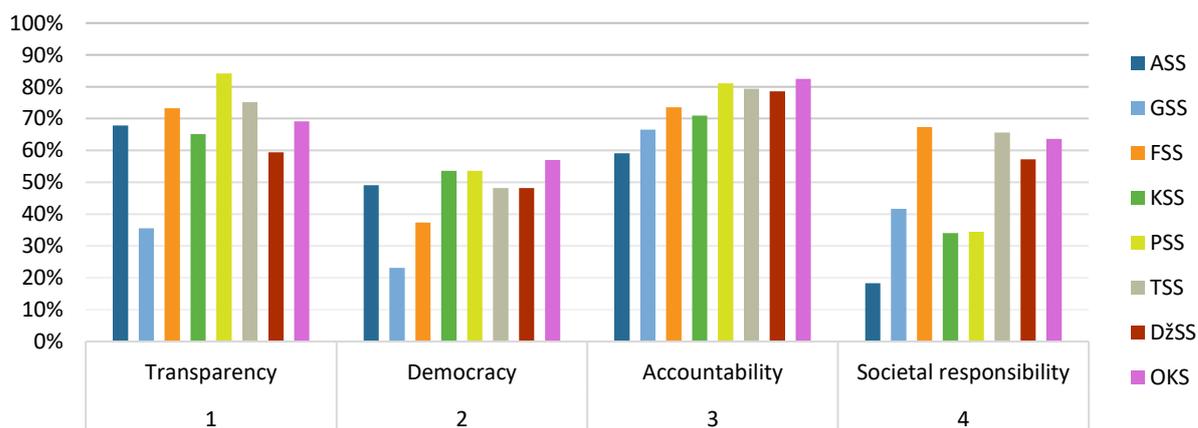


Figure 3: The surveyed Serbian sport federations' scores on the four NSGO dimensions



See table 2 for the federations' full names.

**Table 1: The surveyed Serbian federations' scores on the 46 NSGO principles**

	Principle	ASS	GSS	FSS	KSS	PSS	TSS	DŽSS	OKS
Transparency	1. Legal and policy documents	Good							
	2. General assembly	Not fulfilled	Not fulfilled	Good	Good	Good	Good	Not fulfilled	Not fulfilled
	3. Board decisions	Good	Not fulfilled	Good	Not fulfilled	Good	Good	Not fulfilled	Not fulfilled
	4. Board members	Weak	Not fulfilled	Good	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Good
	5. Athletes and clubs	Good	Not fulfilled	Good	Good	Good	Good	Good	Good
	6. Annual report	Good							
	7. Remuneration	Not fulfilled							
Democratic processes	8. Elections of board members	Good							
	9. Policy for differentiated board	Not fulfilled							
	10. Nomination committee	Weak	Good	Not fulfilled	Not fulfilled	Good	Not fulfilled	Good	Not fulfilled
	11. Quorums	Good	Not fulfilled	Good	Good	Good	Good	Good	Good
	12. Term limits	Not fulfilled							
	13. Member representation	Good							
	14. Regular board meetings	Good	Not fulfilled	Good	Good	Good	Good	Good	Good
	15. Athletes' participation	Good	Not fulfilled	Weak	Good	Not fulfilled	Not fulfilled	Weak	Good
	16. Referees' participation	Good	Not fulfilled	Weak	Good	Good	Good	Not fulfilled	Good
	17. Coaches' participation	Good	Not fulfilled	Not fulfilled	Good	Good	Good	Not fulfilled	Good
18. Volunteers' participation	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	
19. Employees' participation	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Good	Good	Good	Good	
20. Gender equality policy	Not fulfilled	Not fulfilled	Weak	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Weak	
Internal accountability and control	21. Supervision of board	Good	Not fulfilled	Not fulfilled	Not fulfilled	Good	Not fulfilled	Not fulfilled	Good
	22. Board resignation procedures	Good	Good	Weak	Good	Good	Weak	Good	Good
	23. Board eligibility rules	Not fulfilled	Good	Not fulfilled	Good				
	24. Clear governance structure	Good							
	25. Supervision of management	Good							
	26. Audit committee	Good							
	27. Financial controls	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Good	Not fulfilled	Good	Not fulfilled
	28. Board self-evaluation	Good							
	29. External audit	Weak	Not fulfilled	Good	Not fulfilled	Not fulfilled	Good	Good	Not fulfilled
	30. Code of conduct	Not fulfilled	Good						
	31. Conflict of interest procedures	Not fulfilled	Not fulfilled	Good	Good	Good	Good	Good	Good
	32. Complaint procedure	Not fulfilled	Weak	Good	Good	Good	Good	Not fulfilled	Good
	33. Appeal procedure	Not fulfilled	Good	Good	Good	Good	Good	Not fulfilled	Good
	34. Board meeting schedule	Good							
Societal responsibility	35. Governance consulting	Not fulfilled							
	36. Mitigating health risks	Good	Good	Good	Not fulfilled	Good	Good	Good	Good
	37. Combating sexual harassment	Not fulfilled	Good	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Weak	Not fulfilled
	38. Anti-doping	Good							
	39. Social inclusion	Not fulfilled	Not fulfilled	Good	Not fulfilled	Not fulfilled	Good	Good	Good
	40. Anti-discrimination	Not fulfilled	Good	Good	Good	Good	Good	Not fulfilled	Not fulfilled
	41. Gender equality	Not fulfilled	Not fulfilled	Good	Good	Not fulfilled	Good	Good	Good
	42. Anti-match-fixing	Not fulfilled	Good	Good	Good	Good	Good	Good	Not fulfilled
	43. Environmental sustainability	Not fulfilled	Good						
	44. Dual careers	Not fulfilled	Good						
	45. Sport for all	Not fulfilled	Not fulfilled	Good	Not fulfilled	Not fulfilled	Good	Good	Good
	46. Athletes' rights	Weak	Not fulfilled	Good	Good	Not fulfilled	Good	Not fulfilled	Good

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

By Marko Begović<sup>42</sup> and Ivana Parčina<sup>43</sup>

## General Overview

This chapter on the Serbian sports movement benchmarks the seven sports federations governing athletics, football, gymnastics, judo, swimming, basketball, tennis, and the umbrella sports organisation – the NOC of Serbia (OKS). The data collection began in February 2020. All the benchmarked federations had the opportunity to give feedback by 15 July 2020.

The average NSGO index score of the Serbian federations is 59%, which constitutes a ‘moderate’ score. In relation to the general index score, the federations perform ‘good’ within the transparency and internal accountability and control dimensions, and ‘moderate’ within the democratic processes and societal responsibility dimensions.

The chapter continues by discussing the background of good governance of the sports system in Serbia including the regulatory framework in the field of sport. The following section elaborates on the methods used for gathering and analysing data. The fourth section presents the results of the study, while section five discusses the results and policy implications.

---

<sup>42</sup> Associate Professor, Faculty of Sport

<sup>43</sup> Associate Professor, Faculty of Sport

## Context

The contemporary sports system in Serbia lacks a specific good governance code. However, the current Law on Sport and other state/provincial regulations provide a certain framework for good governance. This is particularly visible for transparency and accountability. The interventionist approach is inherited from the socialist Yugoslavia, where specific policy measures were implemented towards tackling governance-related challenges ranging from bureaucratisation and clientelism (Saveljić, 1985) to the limitation for athletes and coaches to be involved in decision-making bodies and processes.

The political authorities adopted the general provisions applied for all socio-political organisations, including sports (SFKJ, 1980). The aim was to exercise a supervised self-regulation model of governance, transferring more authority to workers' councils. The set of principles included strong emphasis on enabling direct representation of all stakeholders (including athletes and coaches) through the implementation of a delegate system. Secondly, the annual rotation of the CEO with term limits allows one re-election. Thirdly, all documents were publicly available to the general population. Finally, to preserve sports from capitalist tendencies, sports policies were directed towards the concept of amateurism.

The Serbian legal system could be characterised by strong regulation and state intervention. According to Cigna et al. (2016), the corporate governance code is based on the Law on Companies, the Law on Accounting, the Law on Auditing, and the Law on Capital Markets. The philosophy of the code refers to a “comply and explain” approach through five key dimensions:

- Structure and functioning of the board
- Transparency and disclosure of company information
- Internal control
- Rights of shareholders
- Stakeholders and institutions.

The Chamber of Commerce and Industry of Serbia adopted a voluntary governance code for its members with a self-assessment approach (Official Gazzete of Serbia, 2012).

## The sports system

The public sector is based on a centralised and interventionist approach for developing the sports system. The Ministry of Youth and Sport (MOS) is the main state actor exercising regulatory and administrative supervision in the field of sports (Law on Ministries, 2017). According to the Law on Ministries, the sports sector represents operational units comprised of two administrative bodies:

1. Department for Development and Improvement of Sports Systems.
2. Department for Legal, Operational, and Analytical Affairs in Sports.

The shared competences of both departments could be summarised as follows:

- Monitoring and determining the situation in the field of sports.
- Preparation of development strategies and other measures that contribute to shaping the government's policy in the field of sports.
- Preparation and implementation of the Sports Development Strategy; preparation and implementation of action plans for the implementation of the Sports Development Strategy.
- Initiating and taking measures within the competence of the ministry in order to improve the conditions for sports development.
- Exercising the rights of foreign athletes, sports organisations, and federations in the Republic of Serbia.
- Legal affairs and keeping the register of sports organisations, other special records in the field of sports, and other activities within the scope of the sector.

According to the constitutional arrangements, the Province of Vojvodina, the City of Belgrade, and local self-governments are responsible for the development of local sports. The Law on Sport (2016) recognises three umbrella sports organisations – the Olympic Committee of Serbia (OKS), the Paralympic Committee of Serbia (POKS), and the Serbian Sports Federation (SSS). The SSS is a territorial sports federation for the Republic of Serbia, which includes national sports federations (NSFs), independent professional athletes, professional organisations in the field of sports (e.g. association for PE), and territorial sports federations from the AP Vojvodina, city, and municipal level. The OKS performs activities that provide conditions for monitoring, developing, and improving high-performance sport, and for organising events as part of the IOC. It is in charge of arbitration proceedings in Olympic sports, it provides consulting for the organisation of sporting events, and it elects members of the Zavod. The POKS is formed in accordance with the IPC Handbook to perform activities that provide conditions for monitoring, developing, and improving Paralympic sports and disability sports. It is also responsible for the organisation of events as part of the IPC. Contributing to the pyramidal model of sport, local sports organisations constitute the centre for the development of the nongovernmental sports sector. However, Georgijev (2012) underlined that local sports organisations are predominantly undeveloped resulting in a declining number of participants. Therefore, the aim of the National Strategy for Sport 2014-2018 as of 2016 was to create a resilient sport structure focusing on:

- developing school sport
- developing sport infrastructure
- facilitating the development of high-performance sport.

## Governance-related sports policies

The legal source of contemporary sports-related legislation is based on the Law on Physical Culture in Serbia, which stipulates interventionist mechanisms for the development of sport. The current Law on Sport is the primary source of sports-related governance policy, regulating, transferring and monitoring competences and scopes of action for sport actors, and the implementation of sports policies.

Sport is an activity of special importance for the Republic of Serbia (Art. 2). The general sports regulations are the statute, the rulebook and sport governing bodies' decisions which are based on statutory regulations. The statutes regulate the name and registered office of the sports organisation, the vision, mission, goals and content of activities, the organisational structure, the governing bodies, issues regarding separation of power, duration of mandate, decision-making protocols, membership procedures, as well as financing, auditing, and reporting. According to Art. 40 of the Law on Sport, the statutes represent the basic act of the organisation which shall be registered and published on the website of the Business Registers Agency in accordance with the law governing the registration procedure in the Agency.

Sports organisations may perform sporting activities in accordance with the law and sport rules if they:

- enrol or contract a sufficient number of athletes
- hire sport professional(s)
- provide appropriate infrastructure, i.e. sports facilities and related equipment
- provide appropriate internal organisation and financial resources
- participate in sporting competitions
- ensure the safety of athletes and other participants in performing sporting activities (Art. 35).

Should these criteria not be fulfilled, the operations of sports organisations might be suspended or they might be deleted from the register.

As to the sports rules, Art. 100 stipulates that NSFs adopt sports rules for a given sport in accordance with national legislation and rules of the competent international sports federation (ISF). The law defines governing bodies (general assembly, board, etc.), their competences, composition, and jurisdiction (Art. 55). Art. 33 stipulates exclusion criteria for members of governing bodies of sports organisations:

- Founders, owners of shares or stocks, representatives, liquidation managers, employees, or members of a sports organisation that competes in the same rank of competition
- Members of the board or officials within the NSF
- Sports managers and sports directors
- Persons performing a public function, members of a political party, or persons in breach of laws regarding conflicts of interest
- Owners, members or employees of sports betting organisations
- Persons who have been convicted of a number of criminal offenses.

The MOS prescribes a framework and programme for vocational education training, including a state exam test for sport administrators (Art. 28-30). The sports organisations are obliged to sign an insurance contract with high-performance athletes for the amount no lower than 10,000 euros in accordance with the categorisation of athletes (Art. 21).

## Financing

The financing model of sport is based on the National Strategy for Sport (NSS). The annual action plans define criteria for the implementation of the strategy. The Constitution, the Law on Sport, and the NSS recognises three levels of financing:

- Central level through the MOS
- Regional level through the Province of Vojvodina
- Local level through the City of Belgrade and local self-governments.

The sports sector within the MOS is in charge of the development and the implementation of sports policies including financing sports-related programmes. The financing of sport is regulated within the Law on Sport, and the sources from the lottery are included in the central budget for sport. According to Art. 112, the main objectives in the field of sport are:

- Development of high-performance sports with a focus on the Olympic Games, Paralympic Games, and other international competitions
- Capacity building of the OKS, the POKS, and the SSS
- Construction and maintenance of sports facilities
- Providing scholarships for categorised athletes
- Organisation of training camps for categorised (promising) young athletes
- Health protection of athletes
- Organisation of national and international competitions
- Promotion of recreational sport and sport for all activities
- Prevention of negative phenomena in sport.

The financing procedure prescribes two levels of calls – for annual programmes (e.g. regular national programmes of a particular federation) and special programmes (e.g. organisation of sporting competitions) in accordance with the law, the NSS and the categorisation

(Art. 133). Inter alia, the law recognises a possibility for companies to subsidise the organisation of major international competitions. The other funding sources include public revenues and sources of taxation, as sport organisations are exempt from taxation (Government of Serbia, 2020) and financial support from the publicly owned companies (Art. 25).

## Methods

The Serbian sports sector includes a number of NSFs and three umbrella organisations – the OKS, the POKS, and the SSS. For this analysis, a sample of seven NSFs and the umbrella organisation OKS were selected and benchmarked based on the NSGO methodology. The federations were selected based on their significance in Serbian sports:

- Core sports (athletics, gymnastics, football, swimming, tennis)
- Traditional sports (basketball)
- Martial arts (judo)
- Sports on the Olympic programme

The sample includes small, medium and large federations – based on the number of full-time employees. The data collection began in February 2020. All benchmarked federations had the opportunity to provide feedback by 15 July 2020.

**Table 2: Sport, official name, and official acronym of sample federations**

Sport	Official name	Official acronym
Athletics	Atletski savez Srbije	ASS
Gymnastics	Gimnastički savez Srbije	GSS
Football	Fudbalski savez Srbije	FSS
Basketball	Košarkaški savez Srbije	KSS
Swimming	Plivački savez Srbije	PSS
Tennis	Teniski savez Srbije	TSS
Judo	Džudo savez Srbije	DŽSS
Umbrella federation	Olimpijski komitet Srbije	OKS

## Results

The average score on the NSGO index of the Serbian federations is 59%, which constitutes a 'moderate' score. In relation to the general index, the federations achieve a 'good' score on the two dimensions transparency and internal accountability and control, and a 'moderate' score on the democratic processes and societal responsibility dimensions.

The internal accountability and control dimension scores the highest of the four (74%), and the Serbian federations receive the second highest score on the transparency dimension (66%). The federations achieve a score of 48% on the societal responsibility dimension, while the lowest score (46%) is achieved on the democratic processes dimension.

### Dimension 1: Transparency

The transparency dimension represents the second-best score for the Serbian federations of 66%.

The benchmarked federations are good at keeping members of governing bodies informed about decision-making processes and decisions.

- All of the federations publish their statutes, internal regulations, and sports rules on their websites or send them via email.
- All of the federations provide the agenda of their general assembly meetings to their internal stakeholders via email or through a protected member section of the organisations' websites before the meetings take place.
- All of the federations provide public versions of the minutes from their board meetings and annual reports from the past 12 months to their internal stakeholders via email.

Within the current regulatory structure and interventionist norms the NSFs are obliged to keep members and local sports organisations informed. The basic indicators within the NSGO tool, which constitute a minimum governance standard, are in accordance with Serbian national legislation. Therefore, all of the benchmarked federations meet the basic criteria regarding setting up a list of objectives including financial reports, reports on the standing committees and the organisation of competitions.

However, when it comes to the more advanced set of indicators in relation to transparency:

- Some 13% of the federations provide biographical information about individual board members, including their professional background and timeframe of the mandate of each member.
- A total of 38% of the federations publish their latest annual report on their websites.
- 0% of the federations' reports provide an overview of the declarations of conflicts of interest and the decisions in which conflicts of interest were involved.
- 0% of the federations explore risks associated with the organisation or how it aims to control these risks.

- 0% of the federations' reports provide a statement on the organisation's remuneration policy.

## Dimension 2: Democratic processes

The benchmarked federations received a 'moderate' score on the democratic processes dimension of 46%.

The federations' scores are 'good' in respect to the segments that are regulated within the state legislation and internal rules.

- All of the federations have written rules and procedures for the (re-)appointment of board members.
- Most of the federations have written rules to ensure that the general assembly directly elects the majority of the members of the board.
- All of the federations establish a quorum of at least 50% for board meetings.

In addition to the legally binding procedures, the federations have implemented regulations related to the organisation of governing body meetings, thereby meeting minimum good governance standards.

- All of the federations' statutes establish that the general assembly meets once a year.
- All of the federations' internal regulations establish procedures that make it possible to convene emergency and extraordinary meetings.
- The majority of federations' internal regulations establish procedures for the adoption of decisions.

However, federations underperform when it comes to the more demanding standards.

- Only one federation has a document establishing the desired profile of each board function.
- A minority of the federations have a formal policy that outlines objectives and specific actions aimed at encouraging the equal access to representation for women and men in decision-making bodies.
- None of the federations have statutory provisions to establish term limits for board members.

Looking at the more essential democratic indicators reflecting representation:

- Some 38% of the federations have a formal policy aimed at involving athletes in decision-making bodies and processes.
- A total of 63% of the federations have athletes formally represented within the organisation.

- Some 88% of the federations have coaches formally represented within the organisation, while 86% of the federations have referees formally represented.<sup>44</sup>

### Dimension 3: Internal accountability and control

The general NSGO index score for the Serbian federations on this dimension is 74%, which constitutes the label 'good'.

On the dimension of internal accountability and control, the federations' scores are similar to the scores on transparency. The major reason for this can be referred to the interventionist political and legal landmark in the field of sport.

- All of the federations have statutes establishing that the general assembly approves the annual financial statements.
- All of the federations' statutes/internal regulations establish that the general assembly must approve the annual policy plan proposed by the board.
- All of the federations' statutes establish an independent financial or audit committee whose members are appointed by the general assembly.

As to the financial control system, the benchmarking showed that:

- None of the federations' internal regulations establish a system, in which agreements or payments on behalf of the organisation must be signed by at least two persons.
- Only a minority of the federations' internal regulations establish a system that the same person cannot receive, record and deposit funds.
- None of the federations' internal regulations restrict the use of cash.

As to the indicators on the separation of power, benchmarked federations perform very well due to the regulatory policies.

- All of the federations' statutes define key positions of the main bodies/positions, e.g. president, general secretary or treasurer.
- All of the federations' statutes establish that the board determines the federation's mission, vision and goals.
- All of the federations' statutes/internal regulations define the composition, delegated tasks, and reporting requirements of each of the standing committees.

### Dimension 4: Societal responsibility

Similarly to the democratic processes dimension, the benchmarked federations scored 'moderate' on the societal responsibility dimension (48%).

---

<sup>44</sup> Due to its nature and scope, the OKS do not have referees formally represented and it scored NA.

- All of the federations have a policy in place aimed at preventing, detecting and combating doping practices.
- In relation to the above, all of the federations implement disciplinary rules in conformity with the World Anti-Doping Code.
- A majority of the federations have a policy in place aimed at combating discrimination in sport.
- In relation to the above, a majority of the federations also recognise specific provisions/rules aimed at combating discrimination in sport.

Federations underperform when it comes to prescribing policies that go beyond sports rules.

- Some 13% of the federations have a written policy aimed at combating sexual harassment in sport.
- Half of the federations have a written policy aimed at improving social inclusion through sport.
- A total of 13% of the federations have a written policy aimed at improving environmental sustainability.

## Discussion and policy implications

As noted in the introduction, the Serbian sports federations' score on the NSGO index is 59%, which indicates that the federations are performing at the 'moderate' level implementing above-minimum standards of good governance. The majority of these principles are regulated within the current political and legal framework in the field of sport. The benchmarking showed that the transparency and accountability dimensions outperform the dimensions regarding democracy and societal responsibility.

1. **Transparency:** The benchmarked federations publish their statutes and internal regulations including sports rules. The reports are detailed and comprehensive. However, there is room for improvement when it comes to providing an overview of declarations of conflicts of interest and assessing risks associated with the organisation and aims to control these risks. In addition, to improve transparency, federations are encouraged to provide detailed statements on the organisation's remuneration policy.
2. **Democratic processes:** The federations implement regulatory provisions enabling democratic conditions regarding the electoral procedures, as well as procedures and protocols for governing body meetings with adequate internal regulations in place. In regard to representation – the key precondition for democratic processes – federations are enabling formal representation. However, stakeholders, such as athletes, coaches, and referees could be more involved in the governing bodies and decision-making processes.
3. **Internal accountability and control:** Most of the federations implement provisions regarding the separation of power. The federations' statutes and internal regulations define key positions and the composition of the main bodies and standing committees. The benchmarked federations also have independent financial or audit committees. However, there are deficits in the long-term planning. This could be explained by the fact that most of the federations' performance depends on annual state subsidies. Therefore, it is hard to adopt sustainable strategic documents. In this context, it needs to be considered that political exposed persons that are involved in the sports federations' governance structures, such as being members of the board, limit the political and functional autonomy of the sports movement.
4. **Societal responsibility:** The federations are moderately prepared for implementing principles in this dimension. They perform well when it comes to health protection and combating doping and discrimination in sport. In order to improve their governance, federations could expand the organisation's scope of action by addressing wider societal needs such as social inclusion, dual-career system and environmental sustainability.

The political and legal framework in the field of sport recognises federations as major organisations for the implementation of state priorities and the general interest in sport.

Šuput (2011) noted that the sports system is still in transition, as is the rest of the society. Further, he concluded that in order to engage with necessary sports-related reforms it is crucial to limit the influence of politics. However, Jeftić (2019) found that the sports system in Serbia is in its institutional consolidation phase focusing on standardisation in terms of organisational structure and implementation of sports-related policies.

## References

Cigna, G. P., Djuric, P., Kobel, Y., Sigheartau, A. 2016. Corporate Governance in Transition Economies Serbia: Country report. Retrieved from: <https://www.ebrd.com/what-we-do/sectors/legal-reform/corporate-governance/sector-assessment.html>

Corporate Governance Code 2012, Official Gazette of Republic of Serbia 99/2012

Georgijev, S. 2012., Nova sportska politička misao. *Vreme*, 13 September, pp.32-33.

Jeftić, B. 2019. Sports system in the independent state of the Republic of Serbia – from the prudent beginning to the exhausting state interventionism. *Physical Culture*, 73(2): 3-21. doi: 10.5937/fizkul1901003J

Law on Value Added Tax 2020, Official Gazette of Republic of Serbia 72/2019, 08/2020

Law on Ministries 2017, Official Gazette of Republic of Serbia 44/2014, 14/2015, 54/2015, 96/2015, 62/2017

Law on Physical Culture 1980, Official Gazette of the Socialist Republic of Serbia 56/80.

Law on Sport 2016, Official Gazette of Republic of Serbia 10/2016

Saveljić, V.1985. Physical culture between needs and opportunities in Montenegro, *Fizička kultura* 3(1985): 29-34.

Šuput, D. 2011. Novi Zakon o sportu. *Pravni zapisi*, 2(1): 150-178.

Yugoslav Association for Physical Culture, 1980. Principles for organization of competitions; prepared for annual General Assembly meeting of the RSIZ. Republic Self-Managing Communities of Interest fond (Item no. 02-604). Cetinje: State Archive of Montenegro

# NATIONAL SPORTS GOVERNANCE OBSERVER

## COUNTRY REPORT: SLOVENIA

## Key results: Slovenia

Figures 1, 2, and 3 show Slovenia's main NSGO scores. Table 1 summarises the surveyed federations' principle scores by showing their corresponding labels.

Figure 1: Slovenia's overall NSGO index score

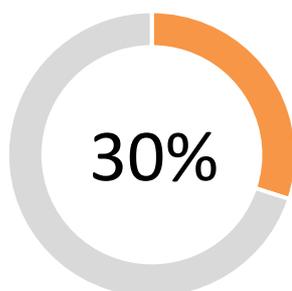


Figure 2: Slovenia's scores on the four NSGO dimensions

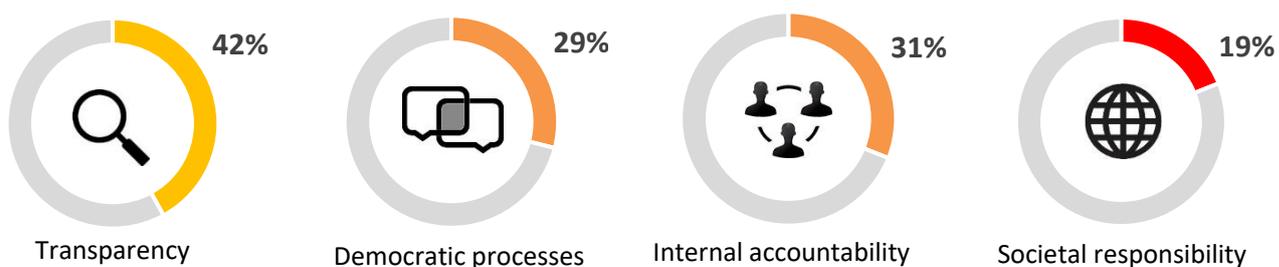
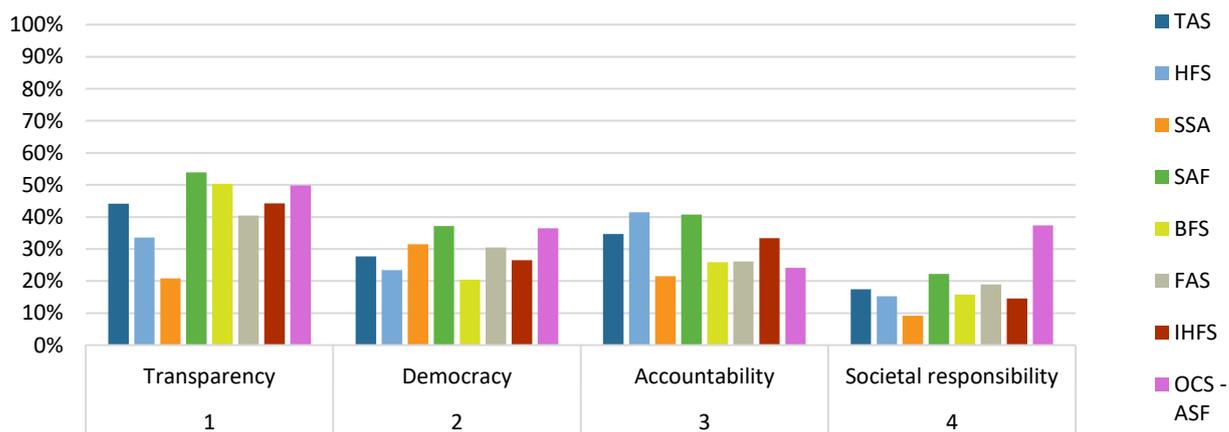


Figure 3: The surveyed Slovenian sport federations' scores on the four NSGO dimensions



See table 2 for the federations' full names.

**Table 1: The surveyed Slovenian federations' scores on the 46 NSGO principles**

	Principle	TAS	HFS	SSA	SAF	BFS	FAS	IHFS	OCS - ASF
Transparency	1. Legal and policy documents	Green	Green	Yellow	Green	Green	Green	Green	Green
	2. General assembly	Yellow	Yellow	Red	Yellow	Orange	Red	Green	Orange
	3. Board decisions	Green	Yellow	Yellow	Green	Yellow	Red	Red	Orange
	4. Board members	Orange	Red	Orange	Red	Orange	Orange	Red	Yellow
	5. Athletes and clubs	Orange	Red	Red	Green	Green	Green	Green	Green
	6. Annual report	Red	Orange	Red	Yellow	Yellow	Yellow	Orange	Orange
	7. Remuneration	Orange	Orange	Red	Orange	Orange	Red	Red	Orange
Democratic processes	8. Elections of board members	Green	Orange	Green	Green	Orange	Green	Green	Green
	9. Policy for differentiated board	Red							
	10. Nomination committee	Yellow	Red	Red	Yellow	Red	Red	Red	Yellow
	11. Quorums	Green	Orange	Green	Green	Green	Green	Yellow	Green
	12. Term limits	Red	Red	Red	Red	Red	Yellow	Red	
	13. Member representation	Green							
	14. Regular board meetings	Green	Green	Green	Green	Yellow	Green	Orange	Yellow
	15. Athletes' participation	Red	Orange	Orange	Orange	Red	Red	Orange	Orange
	16. Referees' participation	Red	Orange	Yellow	Orange	Orange	Red	Yellow	
	17. Coaches' participation	Red	Yellow	Yellow	Yellow	Orange	Red	Yellow	Orange
Internal accountability	18. Volunteers' participation	Red							
	19. Employees' participation	Red							
	20. Gender equality policy	Red							
	21. Supervision of board	Orange	Orange	Yellow	Yellow	Yellow	Green	Orange	Yellow
	22. Board resignation procedures	Green	Red	Red	Red	Red	Red	Red	Orange
	23. Board eligibility rules	Orange	Yellow	Orange	Orange	Orange	Yellow	Orange	Orange
	24. Clear governance structure	Orange	Green	Orange	Orange	Green	Yellow	Red	Yellow
	25. Supervision of management	Red	Red	Orange	Red	Red	Red	Orange	Orange
	26. Audit committee	Green	Green	Green	Green	Green	Orange	Green	Green
	27. Financial controls	Green	Orange	Orange	Green	Red	Orange	Yellow	Orange
	28. Board self-evaluation	Red							
	29. External audit	Red	Green	Red	Green	Orange	Orange	Green	Orange
	30. Code of conduct	Yellow	Green	Red	Yellow	Red	Yellow	Yellow	Red
	31. Conflict of interest procedures	Red							
Societal responsibility	32. Complaint procedure	Yellow	Yellow	Red	Yellow	Orange	Red	Orange	Red
	33. Appeal procedure	Yellow	Green	Orange	Green	Green	Yellow	Yellow	Orange
	34. Board meeting schedule	Red							
	35. Governance consulting	Red	Red	Red	Orange	Red	Red	Red	Orange
	36. Mitigating health risks	Yellow	Red	Red	Yellow	Red	Red	Red	Yellow
	37. Combating sexual harassment	Orange	Orange	Red	Yellow	Orange	Red	Orange	Red
	38. Anti-doping	Red	Yellow	Yellow	Green	Red	Orange	Green	Green
	39. Social inclusion	Orange	Red						
	40. Anti-discrimination	Orange	Yellow	Red	Orange	Orange	Orange	Orange	Red
	41. Gender equality	Red	Orange						
42. Anti-match-fixing	Red	Red	Red	Red	Yellow	Green	Orange	Red	
43. Environmental sustainability	Red	Red	Red	Red	Red	Red	Red	Green	
44. Dual careers	Red	Red	Red	Red	Red	Red	Red	Green	
45. Sport for all	Orange	Orange	Yellow	Orange	Yellow	Yellow	Orange	Green	
46. Athletes' rights	Red	Red	Red	Red	Red	Orange	Red	Red	

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

By Rožle Prezelj<sup>45</sup>, Nika Metka Brežnik and Simon Jančar

## Overview

This is a National Sports Governance Observer (NSGO) report for Slovenian sport federations. The eight sports organisations included in this report are organisations administering athletics, football, basketball, handball, tennis, swimming, and ice hockey as well as the National Olympic Committee that is also a national sports umbrella organisation. Federations required by the NSGO were athletics, football, handball, swimming, and tennis with a further recommendation for also reviewing the National Olympic Committee. In addition, organisations administering basketball and ice hockey were reviewed based on the popularity of the stated sports.

The overall NSGO index score for the Slovenian federations is 30%, which is described as 'weak' by NSGO standards. The results for each of the good governance dimensions varied with transparency being the highest ranked dimension with 42% and societal responsibility being the lowest with just 19%. The democratic processes and accountability dimensions scored 29% and 31%, respectively. The overall scores for Slovenian sports federations showcase that there is a lot of room for improvement; however, foundations for good governance are already established and offer a good starting point for improvement.

Firstly, the report provides the context of the analysis of good governance in sports federations. Secondly, the study methods are discussed and the NSGO results from Slovenia are presented. Finally, the report discusses the results and their possible policy implications.

---

<sup>45</sup> Athlete Rights Ombudsman, Slovenian Olympic Committee, Ljubljana

## Context

Sport has a long and important tradition in Slovenian society and played an integral role in strengthening national identity of Slovenes. Consequently, some of the modern Slovenian federations trace their roots back to the beginning of the 20<sup>th</sup> century, with the Football Association of Slovenia celebrating its 100 years anniversary in 2020. Individual success happened early on for Slovenian athletes as well as for one of the most important figures in the history of Slovenian sports – gymnast Leon Štukelj who won his first two out of three gold Olympic medals in the 1924 Summer Olympics in Paris. He went on to win another four Olympic medals in 1932 and 1936. However, most of the modern Slovenian sports federations were established after World War II. In socialist Yugoslavia, sport became an important instrument for strengthening collective and national identity of the population which led to a strong intervention of the state in sports organisations. Sports federations and clubs were organised as public societies while private property on sports facilities was forbidden. This perception of sport and sporting facilities as public commodities transpired in modern Slovenian perception of sports and rules governing it.

## Governance legislation

Nowadays, the structure of organised sport is similar to that in Yugoslavia. The underlying reasoning behind the Slovenian model of organising sports lies in the public interest. Sport is perceived more as a means of spending free time rather than commercial activity. Because of the historic background and the perception of sport, sport federations are not organised as commercial companies but rather societies of clubs that are also organised as societies of players. Such federations and clubs are subjected to public law and are thus less autonomous. This type of organisation ensures a clear hierarchy and representation of interests. It is also somewhat appropriate for Slovenia because of its size and population as most of the federations are small and rely heavily on government funding. Because of that, sports federations are obliged to publish their annual and financial reports at the Agency for Public Law Records (AJPES)<sup>46</sup>.

Because of all aforementioned factors, the Integrity and Corruption Prevention Act applies to all sports federations in Slovenia. This act, which was passed by the Parliament in 2010, establishes important principles and rules regarding integrity and corruption prevention in all public entities that are subject to public law. It establishes clear definitions of conflicts of interest<sup>47</sup> as well as rules on gifts and integrity. Last but not least, it establishes the formation of a special committee tasked with detecting and combating corruption and other unethical conduct.<sup>48</sup>

The next important consequence of strong public interest is visible in the ownership structure of sports facilities. These are mostly owned by the state or local communities and are administered by either clubs or local communities. The reasoning behind such regulation

---

<sup>46</sup> Article 29 of Societies Act (ZDru-1, Official Gazette of RS no. 64/11)

<sup>47</sup> Article 37 through 40 of Integrity and Corruption Prevention Act (ZIntPK, Official Gazette of RS no 69/11)

<sup>48</sup> Article 9 of Integrity and Corruption Prevention Act (ZIntPK, Official Gazette of RS no 69/11)

lies partially in the public interest and partially in the financial capabilities of sports federations. The majority of sports infrastructure in Slovenia was built in former Yugoslavia. After the independence, federations and clubs were unable to build large and expensive infrastructure projects because of the previous regulation and financing of the organisations. Therefore, it was the most appropriate approach to keep this infrastructure in good shape and capacity.

In recent years, due to the great success of Slovenian athletes and the consequential popularisation, sport gained attention of private businesses as a way of advertisement. This presented sports federations the possibility of gaining new financial resources; however, due to organisational structures and limited autonomy this eventually proved to be challenging.

## The Sports Act

In 2017, the Sports Act<sup>49</sup> was passed by the Parliament that governs sport. It grants more autonomy to sports organisations and establishes some interesting solutions regarding the governance and organisation of sport in Slovenia. It also makes a distinction between sports on a local and national level. This results in more autonomy for local communities to determine their sports related policies.

The Sports Act clearly outlines the public interest<sup>50</sup> in sports and aims to achieve public interest through adoption of nationwide sports policy plans as well as annual policy plans that outline strategy, objectives, and specific actions aimed at achieving long term objectives. It defines national sports federations and specifies that they are responsible for the organisation of national competitions and/or leagues. The Sports Act establishes that the national federations must be members of the Olympic Committee of Slovenia (OCS) in order for them to receive the status of being a national federation. Furthermore, the Sports Act defines OCS as the national umbrella organisation that is responsible for integrating different national sports organisations and serves as an extension of the state in the field of sports. Along with the local communities and/or government, both the federations and the OCS actively and closely cooperate in the process of drafting and adopting national and local policy plans. This results in a high level of representativeness of interest as well as expertise in those policies.

In addition, the Sports Act establishes the Council of Experts<sup>51</sup> which is a consultative committee by the government and consists of seventeen members of which six are proposed by the OCS, one by the Paralympic Committee of Slovenia, and one by the Slovenian University Sports Association.

---

<sup>49</sup> Sports Act (ZŠpo-1 – Official Gazette of RS no 29/17, 21/8 )

<sup>50</sup> Article 4 of the Sports Act (ZŠpo-1 – Official Gazette of RS no 29/17, 21/8)

<sup>51</sup> Article 37 of the Sports Act (ZŠpo-1 – Official Gazette of RS no 29/17, 21/8)

Finally, the Sports Act establishes a sports ombudsman<sup>52</sup> who is an individual and independent body tasked with consulting and informing athletes and federations about any questions and proposals regarding sports and sports law. It also serves as a dispute resolution body between athletes, clubs, and federations.

---

<sup>52</sup> Article 66 of the Sports Act (Zšpo-1 – Official Gazette of RS no 29/17, 21/8)

## Methods

Eight sports federations were involved in the study which was conducted from 1 February until 28 September 2020. The core five federations governing athletics, handball, swimming, tennis, and football as well as one recommended federation, the National Olympic Committee, were included to ensure international comparability, while two additional sports federations were selected by the research team based on their sporting significance in Slovenia.

**Table 2: Sport, official name, and official acronym of sample federations**

Sport	Official name	Official acronym
Tennis	Tennis Association of Slovenia	TAS
Handball	Handball Federation of Slovenia	HFS
Swimming	Slovenian Swimming Association	SSA
Athletics	Slovenian Athletics Federation	SAF
Basketball	Basketball Federation of Slovenia	BFS
Football	Football Association of Slovenia	FAS
Ice hockey	Ice Hockey Federation of Slovenia	IHFS
Olympics/National umbrella organisation	Olympic Committee Slovenia – Association of Sports Federations	OCS-ASF

The research consisted of six phases. Starting 1 February 2020, the first phase consisted of searching and selecting organisations to review. The second phase consisted of gathering data from selected organisations' websites and publicly available data, and lastly, filing standardised score sheets provided by Play the Game. The third phase consisted of contacting the selected organisations in order to obtain missing documents and data. E-mails were sent to all of the organisations to which the NSGO research was presented, and additional data was requested through a questionnaire. The only organisations to respond were BFS and OCS. The other organisations were contacted by telephone but were mostly not responsive to our requests. The fourth phase consisted of reviewing previously gathered data and scores and implying newly provided data. Two researchers participated and cross-checked our findings and results. The fifth phase consisted of contacting organisations and presenting them with the preliminary results. Meetings with organisations were conducted between 10 and 18 September 2020. The responses to this request were better than the previous ones as meetings with four organisations were conducted. The organisations provided us with some additional data. The sixth and final phase consisted of conducting the final scoring and informing the federations about the results as well as drafting the final report.

## Results

The average NSGO index score for the eight reviewed federations in Slovenia is 30%, which is described as 'weak'. The transparency dimension achieved the highest average score of 42% which is labelled as 'moderate' by NSGO standards. The dimensions for internal accountability and control and democratic processes scored 31% and 29%, respectively. Therefore, both are labelled as 'weak' by NSGO standards. The societal responsibility dimension achieved the lowest average score of 19% and was described as 'not fulfilled' by NSGO standards.

### Dimension 1: Transparency

The amount of information published on the federations' websites varied slightly. While all of sports federations publish statutes, internal regulations, and sports rules, almost none of them publish annual reports on their websites. The average score on this dimension is 42% which makes transparency the highest scoring dimension and the only one labelled as 'moderate' by NSGO standards.

- Only one federation publishes an annual report on their website.
- A multi-annual policy plan is neither widely published on the federations' websites (25%) nor provided to stakeholders by e-mail or a protected area on the websites (38%).

Regarding publishing information about board members, affiliated clubs, and/or athletes, the scores vary from 'not fulfilled' to 'moderate'.

- All federations publish names of all the current members of the board on their websites while no federation publishes any biographical information about their board members.
- Less than half of the federations (38%) publish start and end dates of their board members' mandate while not a single federation publishes information on the number of previous mandates held by individual board members or other positions in sporting organisations held by the board member.
- Only three federations publish general e-mail addresses for contacting the board.
- More than half of the federations publish information about the number of affiliated clubs (75%) and basic information about individual affiliated clubs (63%), while information about affiliated athletes is published less frequently (29%).

Regarding the publication of the agenda and the minutes of the general assembly and the board, the Slovenian sports federations score 'moderately':

- Only two federations (25%) publish the agenda for the general assembly on their websites while less than half of the federations (38%) provide the agenda to their stakeholders by e-mail or protected sections of their websites.

- The minutes of the general assembly are published by half of the federations (50%) but are more frequently provided to federations' stakeholders by e-mail or protected sections of their websites (63%).
- The minutes of the board are published on the federations' websites by more than half of the federations (63%)

Although information on finances and reports on activities are publicly available and published on AJPES (Slovenian Agency for Public Law Records) as sports federations are obliged to report on their finances and work, almost no federation publishes such documents on their website:

- Annual reports are rarely published (13%) on the federations' websites. The FAS is the only federation that publishes annual reports on its website.
- The majority of annual reports include financial records (75%). The remaining organisations publish their financial reports separately.
- Half of the federations' annual reports contain reports on events organised or co-organised by the federations (50%).
- Less than half of the organisations' annual reports contain reports on the activities of standing committees (38%).
- The majority of annual reports also contain reports on remuneration (63%).

## Dimension 2: Democratic processes

The average score achieved by Slovenian federations on the dimension regarding democratic processes is labelled as 'weak' (29%) by NSGO standards.

In all of the federations, members are directly or indirectly represented at the general assembly meetings. All of the federations also establish that the general assembly meets at least once a year as well as the possibility to arrange extraordinary and/or emergency meetings.

- The majority of federations establish rules regarding the appointment and reappointment of the members of the board (88%) which also includes rules on the election (88%).
- Half of the federations' (50%) aforementioned rules establish that elections are held on the basis of secret ballots, while the same percent of the federations (50%) establish that the majority of the board members are directly elected by the general assembly.
- Only one federation (FAS) has established a term limit for its board members, which is set to three terms.
- Half of the federations (50%) have a nomination committee that oversees the election process. However, none of the federations explicitly forbids the president of the board to act as a member of the nomination committee.

Regarding the decision making process:

- All of the organisations establish a quorum for the board; however, none of the organisations establish a 75% quorum for the board.
- The majority of federations (75%) also establish a quorum of at least 50% for the general assembly.

In most cases, the boards meet regularly and operate on rules established by the general assembly:

- Although less than half of the federations (38%) formally require boards to meet at least five times a year, more than half of the federations' (63%) boards meet at least five times a year in practice.
- Half of the organisations (50%) have clearly defined rules on drawing up the agenda for the meeting as well as meeting procedures; however, all of the organisations have rules regarding adoption of decisions.

In the majority of the organisations athletes (63%), referees (88%), and coaches (71%) are formally represented in some capacity.

### Dimension 3: Internal accountability and control

National federations achieved a slightly higher score of 31% on the internal accountability and control dimension compared to the dimension on democratic processes. However, it is still labelled as 'weak' by NSGO standards.

For the sports organisation to successfully operate it must adopt mechanisms to combat unlawful behaviour of its officials. Most of the sports federations lack a proper code of conduct as well as rules on resignation:

- Only a few organisations (25%) adopt rules on premature resignation of the board members. These rules equally establish that the general assembly votes on the matter.
- Malfunctioning and repeated absenteeism are grounds for premature dismissal of the board members in a very small percentage of organisations (13%).
- While only 25% of organisations establish in their rules incompatibility of board and judicial function, all of the organisations follow this principle in practice, as no board member is a member of a judicial body of the individual organisation. In addition, there are no acting politicians serving as board members in any of the organisations.

Regarding separation of power and checks and balances in sports organisations:

- All of the federations' rules determine that the general assembly approves an annual policy plan, while clear rules on who approves the multi-annual policy plan (75%), financial statements (75%), and the budget (63%) are not unanimously adopted.

- Only 25% of the federations establish key positions of the board in their rules.
- Some 88% of the federations have clearly defined responsibilities and competences delegated to the management.
- More than half of the federations (63%) have clearly defined the purpose and tasks of each of the standing committees, while slightly fewer federations establish rules on the composition of aforementioned committees.
- All of the federations have an independent internal audit committee appointed by the general assembly as well as rules governing this committee.
- Some 25% of the organisations have rules that establish that at least two persons have to sign the agreement as well as the rules that restrict the use of cash.
- The majority of the federations (63%) have rules establishing a financial threshold for agreements which determine whether management or the board must take the decision.
- A total of 75% of the organisations had their financial statements and accounting records reviewed by an independent and officially approved auditor.

When it comes to contesting federations' decision:

- The majority of the organisations establish rules for processing (75%), submitting (63%), and investigating (50%) complaints.
- Similarly, a high percentage of federations establish rules that allow athletes, coaches, referees, and other participants to appeal against a sporting sanction (88%) as well as rules on appealing the decision of the dispute resolution body (75%).

#### Dimension 4: Societal responsibility

The last dimension of evaluation is societal responsibility which is the weakest dimension for the Slovenian federations. The average score for the dimension is 19% - a score so low it is labelled as 'not fulfilled' by NSGO standards.

Although 25% of the federations have a designated staff member that is responsible for questions regarding governance and management, they have no policies that outline objectives and specific actions regarding governance and management.

The federations take the following steps towards mitigating sports related health risks:

- Half of the organisations (50%) have a designated staff member that serves as a single point of contact for all matters regarding sporting activities.
- A total of 25% of the federations take other actions at mitigating sports related health risks while only one federation informs athletes sufficiently.

While the majority of the federations have a formal procedure for processing (75%), submitting (63%), and investigating (50%) a complaint that can be used for discrimination and sexual harassment offences, not much action is taken in this direction:

- Only one organisation has a designated staff member that serves as a single point of contact and is responsible for all matters regarding combating sexual harassment in sports.
- Only one organisation has a code of conduct which promotes the physical integrity of athletes.
- One organisation has a written policy which outlines specific actions and objectives aimed at combating discrimination in sports.
- One organisation has code of conduct which outlines rules aimed at combating discrimination in sport.

Regarding doping and match-fixing:

- Even though only one federation has a formal policy which outlines specific actions and objectives on combating doping, 75% of the federations implement disciplinary rules on combating doping practices in conformity with the World Anti-Doping Code.
- Less than half of the federations (40%) have a designated staff member that serves as a single point of contact regarding all doping related topics.
- The majority of the federations take action on raising awareness about doping use (75%) as well as educating athletes on the dangers of doping use (75%).
- Only one federation has a formal policy that outlines objectives and specific actions aimed at combating match fixing.
- Some 38% of the federations have disciplinary rules for combating match fixing.

Compared to other topics in this dimension, sport for all is a very well covered area of Slovenian federations:

- Although only 25% of the federations have a formal policy that outlines specific objectives and actions aimed at promoting sport for all in practice, all of them take some sort of action that is aimed at promoting sport for all.
- Roughly 67% of the federations have a designated staff member that serves as a single point of contact responsible for all sport for all related matters.
- More than half of the federations take actions at promoting sport for all in the activities of their member organisations (75%) as well as cooperating with other organisations with the aim of promoting sport for all (67%).

## Discussion and policy implications

With an overall NSGO score of 30%, the Slovenian sports federations' results on good governance are labelled as 'weak' which makes them fall in a group of countries with the lowest results in the NSGO project. Although not everything is bad, it still leaves a lot of room for improvement.

The highest-ranking dimension among Slovenian sports federations – transparency in which federations achieved an average score of 42% – showcases federations' actions on providing the public with basic information about the organisation and its rules as well as sporting rules. Room for improvement is especially visible in regard to posting more detailed data as the majority of the federations do not publish their annual and financial reports on their websites, even though they are obliged to report on their work and finances. After bringing this topic up to the federations, they responded with the fact that these reports are publicly available on the AJPES website but agreed it takes a minor effort to post or link to these reports on their websites. Federations also agree that publishing agendas for the general assembly and board meetings would not present a major issue as they already publish minutes on their websites to a certain extent. In general, sports federations agree that they can improve in certain areas while in other areas like content of financial and annual reports they fulfil the legally required standards and do not think they should take additional steps. So, it is up to the government to stimulate and promote such good practices through adding certain benefits to publishing such information as it is probably the only way to improve this field.

In the dimension democratic processes, the organisations had an average score of 29%, which is labelled as 'weak' by NSGO standards. This dimension showcases that although the majority of the federations have certain rules on organisation, hierarchy, and election, lots of these rules are lacking in certain areas. Some of these shortcomings can be attributed to the size of the federations and the consequential lack of personnel while others could very well be fixed. The areas that are hard to achieve because of the aforementioned limitations include a nomination committee, which most of the organisations have. These committees are mostly ad hoc committees appointed for every election and are not tasked with responsibilities like searching appropriate candidates for vacant positions etc. Inclusion of employees in the decision and policy making process is also hard to achieve as most of the reviewed federations employ less than ten fulltime employees and function mostly on the efforts of volunteers. However, adopting policies that outline objectives and specific actions aimed at involving referees, coaches, athletes, and namely volunteers could easily be fixed and would improve this dimension significantly. Last but not least, the lack of any rules regarding conflicts of interest is a significant and important shortcoming of the reviewed federations. The federations admit the importance of adopting clearly defined rules regarding conflicts of interest as it is one of the key elements of having a democratically run organisation. Because of the size of sports federations in Slovenia, it would be reasonable for the federations to adopt a nationwide code of conduct in coordination with either the Olympic Committee of Slovenia or the Ministry of Education, Science, and Sport.

Similarly, internal accountability and control carries on the remarks from the previously discussed dimensions. While general rules regarding systems of internal control and clearly defined tasks of each of the bodies are in place, organisations lack multi-annual policy plans. Most of the federations lack a proper code of conduct and rely on disciplinary rules and general disciplinary procedures. This system is not necessarily bad but is sometimes unclear on whether certain activities are punishable or not. A fact of the matter is that internal rules of the organisations need to be revised as they are currently lacking certain key elements like term limit, rules regarding gifts, conflicts of interest, incompatibility of functions, financial rules regarding thresholds for signing agreements, the use of cash as well as the adoption of a general meeting schedule for the board. Even though most of the federations already follow these rules in practice, not adopting them serves as a possible back door for infringement.

Finally, societal responsibility leaves the most room for improvement as only two federations manage to fulfil the minimum criteria with OCS and SAF scoring 37% and 22%, respectively, which are labelled as 'weak' by NSGO standards. In general, sports federations lack policies which outline objectives and specific actions aiming at improving areas that are covered by the NSGO score sheets regarding societal responsibility. Having an official policy makes it easier for the organisation to identify the importance of topics like governance, gender equality, anti-doping, match-fixing, social inclusion etc., and act on these areas. It also makes it easier for the organisations to evaluate the impact of taken actions, which none of the organisations carried out in the past. As for the individual topics, some are more often identified by the organisations than others. Sport for all and anti-doping are more or less identified as important areas for taking steps towards societal responsibility while other problematics like discrimination and sexual harassment are almost neglected based on the activities of the federations. After discussing this problematic, most of the federations acknowledged that there is room for improvement especially in the latter topics as these are less pleasant problems that are oftentimes not discussed and brought forward by athletes and other participants of sporting activities.

All in all, the sports federations that responded to our requests and provided feedback agree on their shortcomings and indicate willingness to improve them in order to achieve a better governance and consequently success of their sports and federation.

## References

Bergant Rakočević V. (2008). Šport in pravo. GV založba Ljubljana.

Geeraert, A. (2018). National Sports Governance Observer. Indicators and instructions for assessing good governance in national sports federations. Aarhus: Play the Game / Danish Institute for Sports Studies.

Integrity and Corruption Prevention Act - ZintPK, (Official Gazette of Republic of Slovenia no. 45/10 of 4 June 2010)

Jurak G., Pavletić Samardžija P. (2014). Nacionalni program športa v Republiki Sloveniji 2014-2023, Ministrstvo za izobraževanje znanost in šport ter Zavod za šport RS Planica

Societies Act - ZDru-1, (Official Gazette of Republic of Slovenia no. 64/11 of 13 June 2006)

Sports Act - Zšpo-1, (Official Gazette of Republic of Slovenia no. 29/17 of 9 June 2017)

# NATIONAL SPORTS GOVERNANCE OBSERVER

## COUNTRY REPORT: SPAIN

## Key results: Spain

Figures 1, 2, and 3 show Spain's main NSGO scores. Table 1 summarises the surveyed federations' principle scores by showing their corresponding labels.

Figure 1: Spain's overall NSGO index score

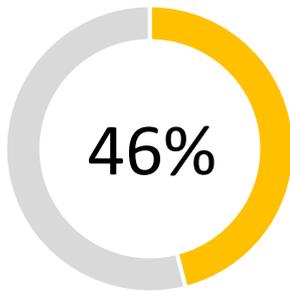


Figure 2: Spain's scores on the four NSGO dimensions

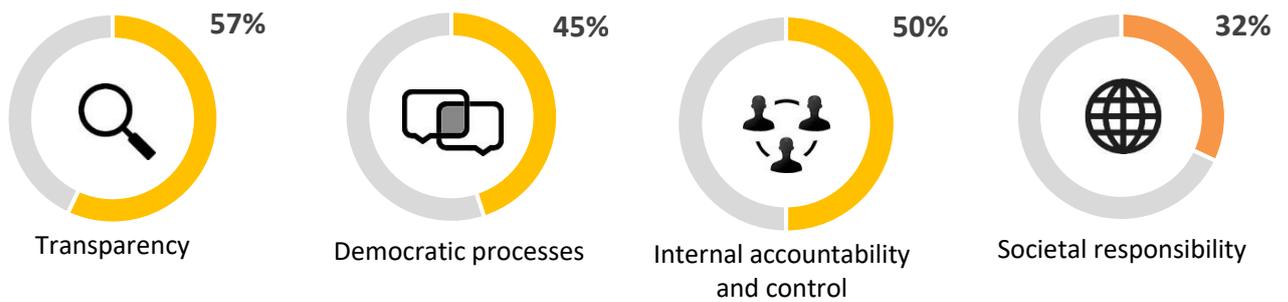
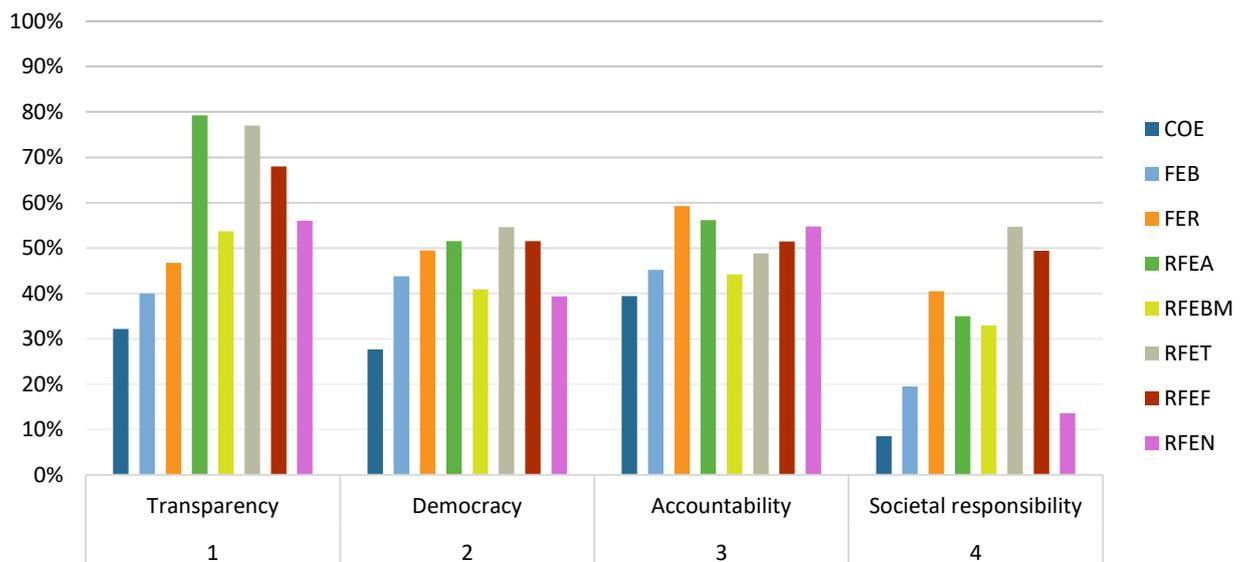


Figure 3: The surveyed Spanish sport federations' scores on the four NSGO dimensions



See table 2 for the federations' full names.

**Table 1: The surveyed Spanish federations' scores on the 46 NSGO principles**

	Principle	COE	FEB	FER	RFEA	RFEBM	RFET	RFEF	RFEN
Transparency	1. Legal and policy documents	Orange	Green	Yellow	Green	Green	Green	Yellow	Green
	2. General assembly	Red	Red	Orange	Green	Yellow	Green	Yellow	Green
	3. Board decisions	Red	Red	Yellow	Yellow	Yellow	Green	Yellow	Orange
	4. Board members	Orange	Green	Green	Yellow	Yellow	Green	Green	Green
	5. Athletes and clubs	Green	Orange	Orange	Green	Orange	Green	Green	Orange
	6. Annual report	Orange	Orange	Yellow	Green	Yellow	Green	Yellow	Green
	7. Remuneration	Orange	Green	Orange	Green	Yellow	Red	Green	Orange
Democratic processes	8. Elections of board members	Green	Orange						
	9. Policy for differentiated board	Red	Red	Orange	Green	Orange	Green	Green	Orange
	10. Nomination committee	Orange	Red	Orange	Yellow	Yellow	Yellow	Yellow	Yellow
	11. Quorums	Yellow	Green	Yellow	Green	Green	Green	Green	Green
	12. Term limits	Red	Green	Red	Yellow	Red	Yellow	Yellow	Red
	13. Member representation	Green							
	14. Regular board meetings	Green	Green	Green	Orange	Yellow	Green	Orange	Orange
	15. Athletes' participation	Orange	Orange	Green	Green	Yellow	Green	Orange	Green
	16. Referees' participation	Red	Yellow	Yellow	Green	Yellow	Green	Green	Green
	17. Coaches' participation	Red	Yellow	Green	Green	Yellow	Green	Green	Green
	18. Volunteers' participation	Red	Red	Red	Red	Red	Red	Orange	Red
	19. Employees' participation	Red							
	20. Gender equality policy	Red	Red	Yellow	Red	Red	Red	Yellow	Red
Internal accountability and control	21. Supervision of board	Orange	Green	Green	Green	Orange	Yellow	Green	Orange
	22. Board resignation procedures	Yellow	Orange	Yellow	Green	Orange	Green	Yellow	Yellow
	23. Board eligibility rules	Green	Red	Yellow	Red	Yellow	Red	Red	Green
	24. Clear governance structure	Green	Green	Green	Green	Yellow	Green	Green	Green
	25. Supervision of management	Red	Red	Red	Red	Yellow	Orange	Orange	Red
	26. Audit committee	Red	Green	Green	Red	Green	Red	Red	Red
	27. Financial controls	Yellow	Yellow	Green	Orange	Yellow	Yellow	Green	Green
	28. Board self-evaluation	Red	Red	Green	Green	Red	Orange	Red	Red
	29. External audit	Orange	Orange	Green	Green	Orange	Orange	Orange	Green
	30. Code of conduct	Green	Yellow						
	31. Conflict of interest procedures	Green	Green	Green	Yellow	Red	Green	Orange	Yellow
	32. Complaint procedure	Yellow	Green	Orange	Orange	Green	Yellow	Green	Green
	33. Appeal procedure	Yellow	Yellow	Green	Yellow	Yellow	Green	Green	Green
	34. Board meeting schedule	Red	Red	Red	Green	Yellow	Red	Green	Yellow
Societal responsibility	35. Governance consulting	Red	Red	Yellow	Yellow	Red	Yellow	Red	Red
	36. Mitigating health risks	Red	Red	Green	Green	Green	Green	Orange	Red
	37. Combating sexual harassment	Yellow	Green	Yellow	Yellow	Yellow	Green	Green	Yellow
	38. Anti-doping	Red	Yellow	Green	Green	Green	Green	Green	Green
	39. Social inclusion	Red	Red	Green	Red	Green	Yellow	Green	Red
	40. Anti-discrimination	Red	Red	Red	Red	Red	Green	Green	Red
	41. Gender equality	Red	Green	Green	Yellow	Green	Red	Yellow	Red
	42. Anti-match-fixing	White	Red	Red	Red	Orange	Green	Yellow	Red
	43. Environmental sustainability	Red	Red	Red	Red	Red	Red	Green	Red
	44. Dual careers	Red	Red	Red	Green	Red	Red	Yellow	Red
	45. Sport for all	Red	Red	Green	Red	Red	Yellow	Red	Red
	46. Athletes' rights	Red	Yellow	Orange	Red	Red	Green	Red	Red

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

By Alberto Carrio Sampedro<sup>53, 54</sup>

## Overview

This report provides benchmark scores regarding good governance for eight Spanish national sports organisations, namely

- Spanish Olympic Committee (COE)
- Spanish Basketball Federation (FEB)
- Spanish Rugby Federation (FER)
- Spanish Athletics Federation (RFEA)
- Spanish Handball Federation (RFEBM)
- Spanish Tennis Federation (RFET)
- Spanish Football Federation (RFEF)
- Spanish Swimming Federation (RFEN).

The data was gathered from September 2019 to March 2020. The average NSGO index score of the seven Spanish sports federations and the Spanish Olympic Committee is 46%, which constitutes a ‘moderate’ score. The data reveals that the organisations generally score moderately on most of the indicators, with perhaps the exception on transparency, and consequently could significantly improve the results. The data also reveals that some organisations have significantly higher overall scores than others.

Spanish national sports organisations are aware of the need for good governance. The increasing importance of sport in all fields leads to a growing professionalisation of sports organisations. But good governance in Spanish sports organisations has not reached the appropriate levels, particularly on some important indicators. On the other hand, Spanish sports legislation is outdated and sectorial updates are not enough to face current problems in sports management. Indeed, the Spanish government is currently working on a new draft law on sport, which should be approved and come into force in 2022. This report suggests that there is room for continual improvement. In particular, a more active role for the Spanish High Council of Sport (CSD) and a refinement of policies regarding sports funding, accountability, democratic processes and societal responsibility, and a more ambitious and demanding legislation change should be considered.

This report will proceed in four additional parts. Part two will briefly discuss the context of governance in Spain along with the Spanish sports system. Part three will set out the methodology used to gather the data. Part four will discuss the results for each good governance dimension (transparency, democratic processes, internal accountability and control, and

---

<sup>53</sup> PhD, Assistant Lecturer, Universidad Pompeu Fabra, Barcelona

<sup>54</sup> Other contributors: students at Universidad Pompeu Fabra, Barcelona: Albert Arcos, Cristina Bases, Ismael Bayarri, Marc Fontclarà, Albert Flotats, Miquel Àngel Fons, Edu Garcia, Enric Garrell, Miquel Lara, Pol Llansana, Esteve Pujals, Maria Roses, Helena Sánchez, Albert Vázquez, Francisco Vallengano and Daniel Villalain

societal responsibility). Part five will provide a brief discussion of the results and present some observations for follow-up.

## **Context: Governance in the Spanish sports system**

### **Corporate governance culture**

Governance has been on the agenda of Spanish sports organisations for some years. That is also the mainstream in Spanish corporate governance. In the last years, the regulation of corporate governance in Spain has been increased constantly. The Spanish Corporate Social Responsibility Strategy was introduced in 2014. The Corporate Act in 2015 focused on the regulation and responsibilities of the CEO and management board members. Also, in 2015 the Good Governance Code of the National Commission Stock Market (CNMV) was enacted, which combines both mandatory rules and recommendations. In addition, the new Audit Law came into force incorporating EU regulations to reinforce confidence in economic and financial information through the quality of audits.

These actions confirm that transparent and accountable management increases the trust of investors and improves economic results. Indeed, the companies with a weak governance system were the most severely affected by economic crises.

### **The sports system**

Like any other field, the Spanish sports system experienced an important modification in the democratic era. In this sense, the change in the Spanish legal system has meant a complete transformation of the sports system. The 1978 democratic constitution expresses a clear commitment to the promotion of sport and physical education. The first outcome of the constitutional commitment was Law 13/1980 on Physical Education and Sport, which ruled the Spanish sports system until 1990. In 1990, the Sport Law 10/1990 was passed, which is still in force. Given the peculiarity of the Spanish political system, very similar to that of federal states, there is a distribution of legal competences between the state and the regions. This means that state laws are complemented by regional sports laws in their respective territories in which they have legal prevalence. This feature of the Spanish legal system has been a key factor in the evolution of the Spanish sports system.

On the other hand, the Spanish sports system has been traditionally linked to the private sector. That is why the Spanish High Council of Sports (CSD, Spanish acronym for Consejo Superior de Deporte) emphasises that the organisation of sport in Spain is based on a system of mutual collaboration between the public and private sectors. In other words, the success of the organisational model of Spanish sports depends on this fruitful cooperation between public and private sector agents.

Indeed, Spanish sports have experienced an important rise and success since the last part of the past century.

## Governance-related sports policies and regulations

The 1978 democratic constitution establishes a policy according to which public authorities shall promote physical education and sports (Art. 43.3). On the other hand, the Spanish constitution also allows the regions to have competences on sport and physical education (Art. 148.19).

The main and basic law on sports in Spain is the aforementioned Law 10/1990. This is the basic legislation governing the Spanish sports system since 1990. It is worth mentioning that there is a draft for a new law on sport in progress submitted by the Minister of Culture and Sport in June 2021. This new law, once it is passed, will completely abrogate the law from 1990. But as the Law 10/1990 is still in force until that happens it is important to refer briefly to it.

The Law 10/1990 on sport is the basic Spanish law. It establishes the basic legal structure of sport and the distribution of competences between the different sport governing bodies. In this sense it defines the status and competences of the Spanish High Council of Sports (CSD), sports associations and federations, leagues, the Spanish Olympic and Paralympic Committee and so on.

Apart from this basic law, each region has enacted its own law on sports. As a result, the Spanish sports system is made up by the Law 10/1990 and 17 other regional laws that govern sports in each territory.

Apart from that some other important laws in sports are:

- Real Decreto 460/2015, regulating the High Council of Sports (CSD)
- Real Decreto 950/2015, establishing the Spanish Center of Sport Studies
- Real Decreto 630/1993, establishing the Spanish General Assembly of Sports
- Real Decreto 1835/1991, on Spanish sports federations
- Real Decreto 1251/1999, on sports companies
- Real Decreto 971/2007, on high level athletes
- Law 3/2013, on athletes' health protection and anti-doping
- Law 19/2007, against violence, racism, and intolerant behaviour in sports.

## Methods

### Case selection

The Spanish High Council of Sports funds 66 national sport (and parasport) organisations (given the peculiarity of the Spanish political system, there are also regional sports federations that are integrated into the national ones). Eight of these national sports organisations (NSOs) were selected for this sample. This sample includes NSOs that oversee the five common sports evaluated across the National Sports Governance Observer project (athletics, football, handball, swimming, and tennis), two additional national sports organisations that are relatively large and important in Spain (basketball and rugby), and the umbrella organisation (the Spanish Olympic Committee).

**Table 2: Sport, official name, official acronym**

Sport	Official Name	Official Acronym
Olympic Committee	Comité Olímpico Español	COE
Basketball	Federación Española de Baloncesto	FEB
Rugby	Real Federación Española de Rugby	FER
Athletics	Real Federación Española de Atletismo	RFEA
Handball	Real Federación Española de Balonmano	RFEBM
Tennis	Real Federación Española de Tenis	RFET
Football	Real Federación Española de Fútbol	RFEF
Swimming	Real Federación Española de Natación	RFEN

### Data collection

The data was collected in accordance with the standardised National Sports Governance Observer data gathering process. From September 2019 to March 2020, all the researchers linked to the University Pompeu Fabra in Barcelona gathered data for the project, which was divided into six phases:

**Phase 1:** Selecting and contacting national sports organisations. The boards of the selected organisations were informed via email about the content and the process of the research and were given an opportunity to contact the lead researcher. Two national sports organisations responded to the first email. Three sports organisations responded to a second email reminder.

**Phase 2:** Collecting data and assigning initial scores. Eighteen research assistants conducted desk research: Studying the websites, statutes, internal regulations, and other relevant documents of the NSOs. Three of those eighteen researchers made a first review and coordinated the research under the supervision of the lead researcher. The initial scores were calculated, and an overview of missing information was provided.

**Phase 3:** The lead researcher contacted the NSOs that responded to the initial letter to follow-up about the missing data. Seven NSOs responded to the contact.

**Phase 4:** Preliminary scores were assigned, considering the feedback given in the third phase and the NSOs were informed and asked for feedback. None of them responded.

**Phase 5:** In June 2020, the scores were definitively assigned and the report finalised.

**Phase 6:** In May 2021, scores were slightly updated with feedback from Play the Game. Some organisations overhauled websites and policies in light of the COVID-19 pandemic, and in response to other world events. However, these were not taken into account and the scores are a snapshot of the pre-COVID world, with few exceptions.

## Data analysis

The scores of the NSOs were calculated in a standardised score sheet. This score sheet was used by all countries that participated in the National Sports Governance Observer project.

## Results

The average NSGO index score of the Spanish NSOs is 46%, which corresponds to a 'moderate' categorisation. Across the four dimensions, there is little variance: The difference between the highest (transparency) and the second lowest (democratic processes) score is only 12 percentage points. The lowest score, however, stands out, as the Spanish sports organisations only achieved a score of 32% on the societal responsibility dimension, corresponding to a 'weak' categorisation. Thus, Spanish NSOs are strongest in regard to transparency (57%) and accountability (50%) which were assigned 'moderate' labels. Democratic processes is also 'moderate' with a score of 45%. Societal responsibility is the weakest dimension of governance with a score of 32%.

The discussion of each dimension will provide a brief overview and discuss the scores that were 'very good'/'good' or 'not fulfilled', which also serve as the highest and lowest average scores, and provide a short conclusion.

### Dimension 1: Transparency

The Spanish NSOs scored 57%, or 'moderate', on transparency. This is the strongest dimension score. The top NSO scored 79%, the best score across all NSOs and dimensions, while the lowest-scoring NSO scored 32%. This equals a spread of 47 percentage points, which is the highest spread amongst the four dimensions.

The Spanish NSOs achieved an average of 'good' (71%) on principles 1 and 4. The first one asks whether "the organisations publish their statutes/constitutions, internal regulations, organisation charts, sports rules, and multi-annual policy plans on their websites". Principle 4 asks whether "the organisations publish information about their board members on their websites". The Spanish NSOs also scored an average of "good" (67%) on principle 5, which asks whether "the organisations publish information about their members (athletes and clubs) on their websites." The Spanish NSOs scored an average of 'moderate' on the other four principles.

Below, the average scores of the eight Spanish NSOs on the transparency dimension are shown:

**Table 3: Transparency – average scores per principle**

Principle Number	Principle	Average Score
1	The organisation publishes its statutes/constitution, international regulations, organisation chart, sports rules and multi-annual policy plan on its website.	71%
2	The organisation publishes the agenda and minutes of its general assembly meeting on its website.	50%
3	The organisation publishes board decisions on its website.	41%
4	The organisation publishes information about its board members on its website.	71%
5	The organisation publishes information about its members (athletes and clubs) on its website.	67%
6	The organisation publishes an annual report, including financial statements, on its website.	50%
7	The organisation publishes regulations and reports on the remuneration, including compensation and bonuses, of its board members on its website.	47%

## Dimension 2: Democratic processes

The Spanish NSOs scored 45%, or ‘moderate’, on democratic processes. The top NSO scored 55%, two other organisations scored 52%, while the lowest-scoring NSO scored 28%. This created a spread of 27 percentage points.

The Spanish NSOs achieved an average of ‘very good’ (81%) on principle 8, which asks whether “board members are democratically (re-)appointed according to clear procedures”. Spanish NSOs also scored an average of ‘very good’ (81%) on principle 13, which asks whether “the general assemblies represent all affiliated members and meet at least once a year”. The Spanish NSOs scored an average of ‘not fulfilled’ on two principles. Principles 18 and 19, which ask about the participation of volunteers (3%) and employees (0%) in policy processes.

Below, the average scores of the eight Spanish NSOs on the democratic processes dimension are shown:

**Table 4: Democratic processes – average scores per principle**

Principle Number	Principle	Average Score
8	Board members are democratically (re-)appointed according to clear procedures.	81%
9	The organisation takes steps to achieve a differentiated and balanced composition of its board.	41%
10	The organisation has a nomination committee.	42%
11	The organisation establishes a quorum (a minimum number of attendees required to conduct business and to cast votes) in its statutes or internal regulations for the board and the general assembly.	69%
12	The organisation has established term limits as well as a retirement schedule.	31%
13	The general assembly represents all affiliated members and meets at least once a year.	81%
14	The board meets regularly.	43%
15	The organisation ensures the participation of athletes in its policy processes.	56%
16	The organisation ensures the participation of referees in its policy processes.	56%
17	The organisation ensures the participation of coaches in its policy processes.	59%
18	The organisation ensures the participation of volunteers in its policy processes.	3%
19	The organisation ensures the participation of employees in its policy processes.	0%
20	The organisation implements a gender equality policy.	21%

### Dimension 3: Internal accountability and control

The Spanish NSOs scored 50%, or ‘moderate’, on internal accountability and control. The top national federation scored 59%, while the lowest-scoring national federation scored 39%. This created a spread of 20 percentage points, the shortest spread amongst the four dimensions.

Spanish NSOs achieved an average of ‘good’ (79%) on principle 30, which asks whether the “organisations have or recognise a code of conduct applicable to the members of the board”. Spanish NSOs also achieved an average of ‘good’ (77%) on principle 24, asking whether the “organisations apply a clear governance structure according to the principle of separation of powers”, and on principle 27 (61%), asking whether the “organisations implement a financial control system”.

Below, the average scores of the eight Spanish NSOs on the internal accountability and control dimension are shown:

**Table 5: Internal accountability and control – average scores per principle**

Principle Number	Principle	Average Score
21	The general assembly supervises the board appropriately.	50%
22	The board establishes procedures regarding the premature resignation of board members.	56%
23	The organisation defines in its statutes those circumstances in which, due to a serious conflict of interest, a person is ineligible to serve as a member of the board.	31%
24	The organisation applies a clear governance structure according to the principle of separation of powers.	77%
25	The board supervises management appropriately.	25%
26	The organisation has an internal financial or audit committee.	39%
27	The organisation implements a financial control system.	61%
28	The board annually evaluates its own composition and performance.	29%
29	The organisation's finances are externally audited by an independent auditor.	50%
30	The organisation has or recognises a code of conduct applicable to the members of the board, management and personnel.	79%
31	The board establishes clear conflicts of interest procedures that apply to the members of the board.	56%
32	The board establishes procedures for the processing of complaints in the internal regulations.	55%
33	The organisation's decisions can be contested through internal or external mechanisms.	53%
34	The board adopts an annual meeting schedule.	37%

#### Dimension 4: Societal responsibility

The Spanish NSOs scored 32%, or 'weak', on societal responsibility. The top national federation scored 55%, while the lowest-scoring national federation scored 9%. This created a spread of 46 percentage points, the second-largest spread amongst the four dimensions.

The Spanish NSOs achieved an average of 'good' on principles 37 (59%) and 38 (61%). The former asks whether the "organisations implement a policy on combating sexual harassment in sport", and the latter asks whether the "the organisations implement an anti-doping policy."

The Spanish NSOs scored an average of 'not fulfilled' on principle 43 (9%), which asks whether the "organisations implement a policy for the promotion of environmental sustainability".

Below, the average scores of the eight Spanish NSOs on the societal responsibility dimension are shown:

**Table 6: Societal responsibility – average scores per principle**

<b>Principle Number</b>	<b>Principle</b>	<b>Average Score</b>
35	The organisation offers consulting to its member organisations in the areas of management or governance.	20%
36	The organisation implements a policy aimed at mitigating the health risks of sporting activities.	44%
37	The organisation implements a policy on combating sexual harassment in sport.	59%
38	The organisation implements an anti-doping policy.	61%
39	The organisation implements a policy on social inclusion through sport.	33%
40	The organisation implements a policy combating discrimination in sport.	23%
41	The organisation implements a policy to promote gender equality in sport.	48%
42	The organisation implements a policy to combat match-fixing.	24%
43	The organisation implements a policy for the promotion of environmental sustainability.	9%
44	The organisation implements a policy on promoting the dual career of athletes.	23%
45	The organisation implements a policy on promoting sport for all.	21%
46	The organisation ensures the fair treatment of professional athletes.	20%

## Discussion and policy implications

Overall, the Spanish NSOs received a 'moderate' score (46%). Even if this score was generally consistent, the Spanish NSOs scored better in transparency (57%) and received a 'weak' score within societal responsibility (32%). This score suggests that while Spanish NSOs appear to have the fundamentals of good governance in hand, there is significant work to be done if they aim to be global champions in good governance of sport. This section will briefly comment on the four dimensions of good governance and then provide some observations for future development of good governance in Spanish sport.

First, the Spanish NSOs received a 'moderate' score regarding transparency. Even though this is the highest score overall there are also important differences among the organisations. On the other hand, in some areas, the organisations scored well, such as publishing statutes/constitutions and information about their members. However, the more that the documents reveal about the inner workings of the organisation, the less likely that the information is publicly accessible. For instance, there are few organisations that provide access to meeting agendas, board decisions, and information on remuneration.

Second, the Spanish NSOs scored lower in democratic processes, also receiving a 'moderate' score. Again, there are important differences among the organisations. Most of them scored well on some of the generic principles of democratic processes, such as democratic appointment of board members, meetings of the general assembly, and quorum. The organisations fall short in setting out formal steps to include diverse stakeholders, such as achieving a differentiated composition of the board, or ensuring participation by relevant stakeholders. That is an important issue since Spanish society in general and Spanish sports in particular has benefited from diversity. These scores indicate a lack of representation that is worrying and should be urgently addressed.

Third, the Spanish NSOs also scored 'moderate' on internal accountability and control. On this dimension, the organisations' scores were very similar. The Spanish sports organisations performed well on some aspects of internal accountability and control, but not others. Fundamental elements like having a clear governance structure or an audit committee are met. However, higher-order elements, such as board self-evaluation, assessments and recommendations about internal control are not met as fully.

Fourth, the Spanish NSOs score weakest on societal responsibility. It is worth noting that the best average score on this dimension is in doping prevention procedures but even here the results could be much better. Another remarkable point is the lack of promotion of environmental sustainability in which all the Spanish NSOs scored very poorly. That is certainly a serious indicator given the current climate crisis and the (alleged) commitment to sustainability by Olympic sports.

Overall, the 'moderate' scores of the Spanish NSOs indicate that they are doing an important task in the field of good governance, but they still need to improve in many ways.

In this context, there might be a need for stronger regulation or incentives so that Spanish NSOs develop more robust governance structures, processes, and policies.

Spanish NSOs need to improve in all areas of sports governance. In this context, further-reaching steps by the Spanish High Council of Sport (CSD) itself are needed to establish more robust governance structures and processes in regard to transparency, accountability, and responsibility. At the time of finishing this report, no public information (except financial reports until 2019) is available on the CSD's website. In addition, the CSD does not appear to be proactive in facilitating communication. For example, the emails that the researchers have sent during the NSGO benchmarking process to the CSD remained unanswered. Thus, if the CSD is not taking the necessary steps with regard to transparency, it is not surprising that the sports organisations are not always transparent in their documentation. They probably have no incentive to improve in their results in accountability.

It is also notable that there is a spread amongst Spanish NSOs, despite the existence of a basic legislation and the fact that they all act under CSD guidance and authority. It is to be expected that changes in CSD management and the introduction of the new Spanish law on sport will have a positive impact on the good governance of Spanish NSOs. However, the new law keeps the structure and functions of sports organisations intact and expresses a great deal of approval with the way Spanish sports organisations have to carry out their tasks.

The lead researcher of this report also recognises that Spanish NSOs are often under-resourced and over-worked in terms of their administrative staff. But it might also be true that this situation is related to a lack of diligence of the organisations themselves. Nevertheless, Spanish NSOs seem to be on the right track and improvements in governance will hopefully make them more transparent, democratic, accountable, and able to improve their social responsibility in the near future.

## References

Draft of Spanish Sport Law. Anteproyecto Ley del deporte. Available at <http://www.iusport.es/documentos/ANTEPROYECTO-LEY-DEPORTE-010219.pdf>

CAZORLA PRIETO, L.M (2016), *Las reglas del buen gobierno en el deporte*. Aranzadi.

CARRIO SAMPEDRO, A (2020), “La (des)gobernanza ética del deporte tras la pandemia”, en Pérez Triviño (ed.) *El deporte tras el Coronavirus*, pp. 592-97. ISBN: 9788409207091

CARRIO SAMPEDRO, A (2019) “La Gobernanza democrática del deporte. Fundamentos y requisitos básicos”, en *Derecho deportivo*, Ortega Burgos, E y García Caba, M. (dirs.), Valencia: Tirant lo Blanc, pp. 417-441.

CASINI, L (2010) *Il Diritto Globale dello Sport*. Giuffré, 2010.

Dordi, C. (2005), *Le federazioni sportive internazionali*, en, *Diritto Internazionale dello sport*, G. Giappichelli, Torino, 2005,

DUVAL, A. (2020), *Transnational Sports Law: The Living Lex Sportiva* (September 6, 2020). T.M.C. Asser Institute for International & European Law - Asser Research Paper 2020-06, Forthcoming in: Zumbansen, P. (ed.), ‘*Oxford Handbook of Transnational Law*’, Oxford University Press (2020), Available at SSRN: <https://ssrn.com/abstract=3688344>

PALOMAR OLMEDA, A. (2011), *El sistema deportivo español: una visión diferente y pautas de reforma*, Aranzadi Thomson Reuters, Cizur Menor. Navarra.

TEROL GÓMEZ, R (2017), “Administración pública y deporte”, en *Derecho del Deporte* (Palomar Olmeda, A., Dir.; Rodríguez García, J., Coord.), 2a ed., Thomson Reuters Aranzadi, Cizur Menor (Navarra),

# NATIONAL SPORTS GOVERNANCE OBSERVER

## COUNTRY REPORT: UKRAINE

## Key results: Ukraine

Figures 1, 2, and 3 show Ukraine's main NSGO scores. Table 1 summarises the surveyed federations' principle scores by showing their corresponding labels.

Figure 1: Ukraine's overall NSGO index score

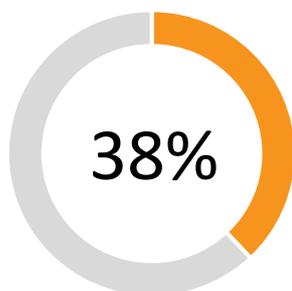


Figure 2: Ukraine's scores on the four NSGO dimensions

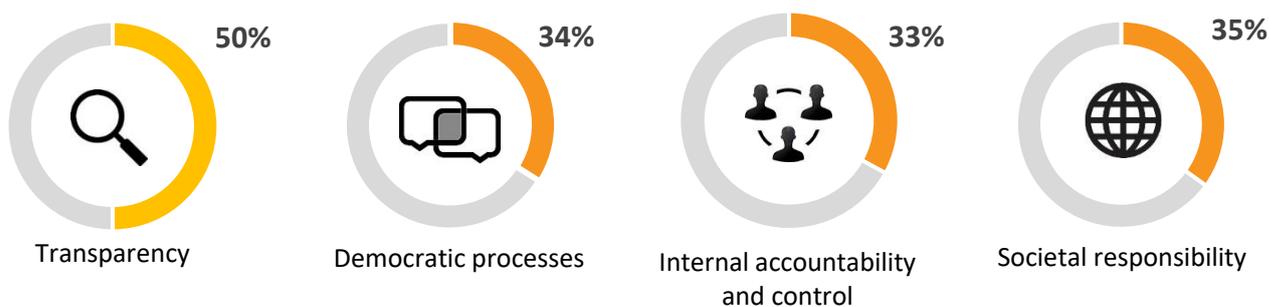
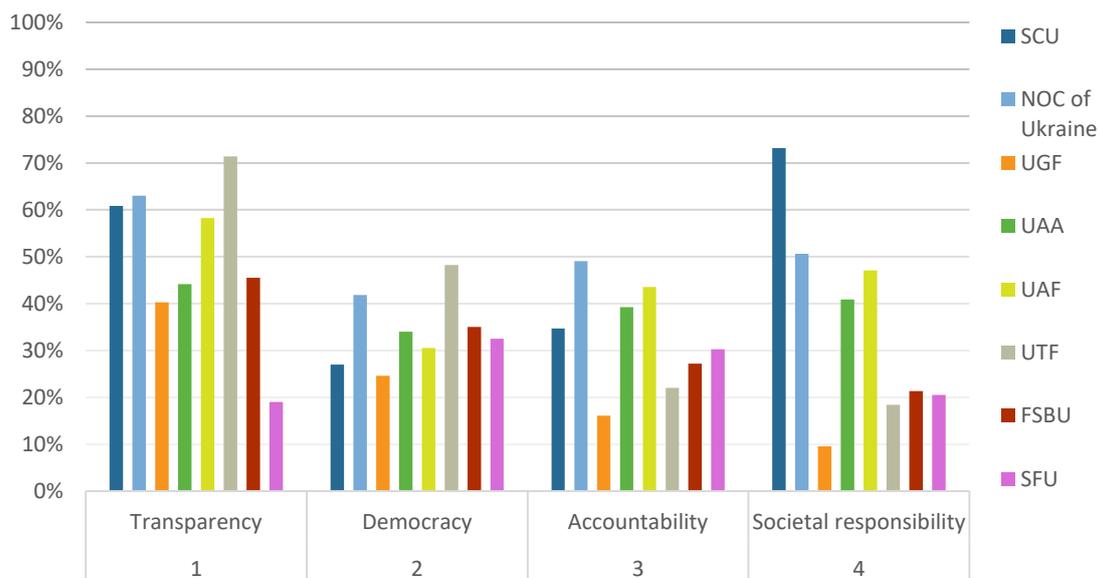


Figure 3: The surveyed Ukrainian sport federations' scores on the four NSGO dimensions



See table 2 for the federations' full names.

**Table 1: The surveyed Ukrainian federations' scores on the 46 NSGO principles**

	Principle	SCU	NOC	UGF	UAA	UAF	UTF	FSBU	SFU
Transparency	1. Legal and policy documents	Green							
	2. General assembly	Yellow	Green	Yellow	Green	Yellow	Green	Yellow	Red
	3. Board decisions	Yellow	Yellow	Yellow	Green	Green	Green	Yellow	Red
	4. Board members	Green	Yellow	Orange	Orange	Orange	Yellow	Orange	Orange
	5. Athletes and clubs	Green	Green	Green	Red	Green	Green	Orange	Red
	6. Annual report	Green	Green	Red	Orange	Yellow	Yellow	Orange	Red
	7. Remuneration	Orange	Red	Red	Red	Yellow	Orange		Red
Democratic processes	8. Elections of board members	Green	Green	Green	Green	Yellow	Green	Green	Green
	9. Policy for differentiated board	Red							
	10. Nomination committee	Red	Yellow	Red	Red	Yellow	Red	Red	Red
	11. Quorums	Green	Green	Green	Yellow	Green	Green	Green	Green
	12. Term limits	Red	Red	Red	Red	Red	Red	Yellow	Red
	13. Member representation	Green	Green	Green	Green	Green	Green	Yellow	Green
	14. Regular board meetings	Orange	Green	Orange	Green	Green	Green	Green	Yellow
	15. Athletes' participation	Orange	Green	Orange	Yellow	Orange	Green	Orange	Orange
	16. Referees' participation			Red	Red	Orange	Green	Yellow	Yellow
	17. Coaches' participation			Yellow	Red	Red	Green	Yellow	Yellow
	18. Volunteers' participation		Red	Red	Red	Red	Red	Red	
	19. Employees' participation	Red	Red	Red	Red	Red	Green	Red	Red
	20. Gender equality policy	Red	Red	Red	Green	Red	Red	Red	Red
Internal accountability and control	21. Supervision of board	Yellow	Green	Red	Orange	Red	Orange	Orange	Orange
	22. Board resignation procedures	Red	Yellow	Red	Red	Yellow	Red	Red	Green
	23. Board eligibility rules	Green	Red	Red	Yellow	Yellow	Red	Orange	Yellow
	24. Clear governance structure	Yellow	Green	Green	Green	Green	Green	Green	Orange
	25. Supervision of management	Orange	Red	Orange	Yellow	Red	Orange	Orange	Red
	26. Audit committee	Green	Yellow	Green	Green	Green	Green	Green	Green
	27. Financial controls		Red						
	28. Board self-evaluation	Red							
	29. External audit	Yellow	Green	Red	Green	Orange	Red	Red	Red
	30. Code of conduct	Red	Green	Red	Red	Green	Red	Red	Red
	31. Conflict of interest procedures	Red	Green	Red	Red	Yellow	Red	Red	Red
	32. Complaint procedure	Orange	Yellow	Red	Green	Green	Red	Yellow	Yellow
	33. Appeal procedure		Green	Red	Yellow	Green	Orange	Yellow	Green
	34. Board meeting schedule	Green	Yellow	Red	Red	Red	Red	Red	Red
Societal responsibility	35. Governance consulting	Green	Yellow	Red	Green	Green	Red	Red	Orange
	36. Mitigating health risks			Yellow	Orange	Green	Red	Green	Green
	37. Combating sexual harassment		Red						
	38. Anti-doping	Green	Green	Red	Green	Yellow	Yellow	Yellow	Yellow
	39. Social inclusion	Green	Yellow	Red	Green	Green	Orange	Orange	Red
	40. Anti-discrimination		Red	Red	Red	Green	Red	Red	Red
	41. Gender equality		Yellow	Red	Yellow	Green	Red	Red	Red
	42. Anti-match-fixing		Orange	Red	Red	Green	Yellow	Green	Red
	43. Environmental sustainability	Orange	Green	Red	Orange	Red	Red	Red	Red
	44. Dual careers		Green	Red	Green	Red	Orange	Yellow	Yellow
	45. Sport for all	Green	Green	Green	Green	Green	Green	Red	Orange
	46. Athletes' rights			Red	Red	Red	Red	Red	

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

By Olha Borysova<sup>55</sup> and Tetiana Kropyvnytska<sup>56</sup>

## Overview

The research is carried out under the National Sports Governance Observer: Benchmarking sports governance across national boundaries 'project (NSGO).

In accordance with the terms of the project, the implementation of the principles for good governance in eight public sports organisations of Ukraine was studied: six of which are federations representing track and field athletics, football, handball, swimming, tennis, billiards, and two are umbrella organisations responsible for the development of certain sports (NOC – Olympic sport, Sport Committee of Ukraine – non-Olympic sport). The principle of samples balance was observed: Three organisations are small in size, three are medium, and two are large. A standardised NSGO methodology was used in this study. Data collection took place from August to September 2020. All federations, except the Swimming Federation of Ukraine (SFU), kindly cooperated with the project team. The SFU refused to provide any data related to the application of good governance principles. Relevant data on the performance of SFU were collected from public sources.

The average NSGO rating of Ukrainian sports organisations that participated in the project is 38%, which meets the 'weak' criterion. The highest average score among the four dimensions was achieved in transparency (50%), which corresponds to a 'moderate' label. Societal responsibility (35%), democratic processes (34%), and internal accountability and control (33%) correspond to the 'weak' level.

Positive aspects in conducting research on the project were as follows: Active cooperation by most of the sports organisations' representatives who are responsible for collecting information, a large amount of information posted on websites, and the presentation of relevant evidence in paper format (if not available on websites). However, as the results show, Ukraine still has much room to improve the quality of governance, and the need to eliminate shortcomings through the study and the implementation of world best practices. This project is a good tool to achieve this goal.

The structure of the report includes sections that describe and summarise:

- The context of good governance in sport and its place on the government's agenda
- Sports system, structure, and interaction of sports organisations
- Management policy implemented in sports
- Methods and processing of data collection
- The results of a study focusing on the strengths and weaknesses of sports organisations involved in the NSGO project
- Conclusions and prospects for good governance in Ukrainian sports
- Links and reference sources.

---

<sup>55</sup> PhD, Professor and Vice-rector, National University of Physical Education and Sport of Ukraine, Kiev

<sup>56</sup> Associate professor, National University of Physical Education and Sport of Ukraine, Kiev

## The context of good governance in sport and its place on the government's agenda

A healthy nation, the well-being of the population, and the security of every citizen are the priorities of every state. Their observance is possible through understanding the role of physical education, sports, and creating appropriate conditions for their functioning. The results of athletes' performances in international sporting competitions are a significant factor of national prestige and indicate the level of sports development in the country.

During almost 30 years of being an independent state, Ukraine has been constantly searching for a vector of its further development, understanding that outdated administrative-command mechanisms no longer work. The desire of the Ukrainian society to become a recognised part of the European Union led to the study of best practices in various fields with an emphasis on European countries, which also includes sports.

In 2014, the Ministry of Youth and Sports of Ukraine launched an active reform of the sports system, taking into account the need for radical changes in the field of physical education and sports due to obsolescence and inefficiency of its management mechanisms, lack of correspondence of its development indicators to those all over the world, and the desire to integrate into the European community.

A working group (later the Council) under the auspices of the Ministry of Reform was established, and the Congress for Reform in the Field of Physical Education and Sports was held with the participation of leading experts. A roadmap for reform has been developed and a Memorandum of Support has been signed by sports organisations. Furthermore, draft amendments to the Law on Physical Education and Sports, concepts, and normative documents of sports industry development are constantly being prepared. A project aimed at giving sports federations new powers has been launched (independent holding of competitions without approvals from the central executive body, independent decisions on budget funds, etc.). As a result, new conditions and opportunities for the development of sports are created for sports federations increasing the autonomy and responsibility for their own activities. The five-year-project was open to all federations but only ten federations took part. This indicates the fear of sports organisations to take responsibility and the lack of necessary experience and personnel. Among the federations that participated in the study within the NSGO project, the Ukrainian Athletic Federation is the only federation that participated in the project initiated by the Ministry of Youth and Sports of Ukraine.

The works of American and European scientists (Yakup Akyel, 2015, B. Gled, 2002, etc.) describe in detail the experience of changing the system of sports management: decentralisation and granting broad powers to public sports organisations. However, the EU and the US took this path 20-30 years ago, and our country is taking its first steps in this direction.

As stated in the State Targeted Social Programme for the Development of Physical Education and Sports for 2020:

“The best option for the development of physical education and sports in Ukraine involves joint efforts of executive authorities, local governments, civil society institutions to reform physical education and sports in order to bring it in line with European requirements and standards by defining the European model of reforming relations between state authorities and public organisations, oriented at physical education and sports, as the basis, by increasing the publicity and transparency level of the Ministry of Youth and Sports, autonomy of sports federations, by identifying principles of priority for sports, by improving national anti-doping legislation, which will help create conditions for physical education and sports. “

State Targeted Social Programme for the Development of Physical Education and Sports, 2020

In order to achieve the goals of increasing the level of publicity and transparency, the Ministry of Youth and Sports of Ukraine has developed and is implementing an Anti-Corruption Programme. The objectives of the programme are to coordinate activities to identify the facts of national or transnational manipulation of national and international sports competitions, to prevent corruption in the Ministry, and establish a broad discussion of projects, programmes, and regulations with the public.

For the federations involved in the project, the Ministry of Youth and Sports organised a series of seminars on public procurement and public finance, sports marketing, good governance, leadership development in sports, sports events (both small and global) with the invitation of foreign experts (Martin Conway, USA).

The National Strategy for Physical Activity in Ukraine until 2025 ‘Physical activity - a healthy lifestyle - a healthy nation’ has been developed. It takes into account relevant recommendations of the World Health Organisation, the Council of Europe, and the European Union, as well as national legislation. The strategy gives responsibility to the state to ensure the formation and implementation of a multi-faceted and comprehensive policy to encourage citizens to recreational physical activity. The aim is to reduce the risk of non-communicable diseases, which are the main cause of high rates of premature mortality in Ukraine.

Thus, today in Ukraine, it is extremely necessary to generalise the existing world and domestic experience, implement best world practices, develop new approaches to reforming the sports industry to maximise the health, educational, and competitive potential of sports.

## **The sports system, structure, and interaction of sports organisations**

In Ukraine, the management system of sports development consists of three groups of organisations, among which are government agencies (i.e. government organisations that carry out activities aimed at creating conditions for the state policy implementation in the field of sports), public organisations, and non-governmental organisations.

Public authorities are represented by legislative and executive bodies. The highest legislative body is the Verkhovna Rada of Ukraine, which determines state policies and carries out legislative regulation of relations in the field of physical culture and sports, as well as exercises control over the implementation of the state programme for development of this

sphere and implementation of legislation on physical culture and sports. The body of the Verkhovna Rada of Ukraine that directly carries out the draft laws in the field of physical culture and sports is the Committee on Family, Youth Policy, Sports, and Tourism.

The highest executive body is the Cabinet of Ministers of Ukraine, which ensures the implementation of state policies in the field of physical culture and sport, as well as the accessibility of sports services and recreation facilities for citizens. Furthermore, it ensures the development and implementation of measures that create the material and technical base and other conditions necessary for the development of sports, determines the directions of physical culture and sports development, directs the activities of its subordinate bodies to implement the Laws of Ukraine (resolutions, state programmes, committees for the taking of measures at the national level), and coordinates the activities of central and local executive bodies and local governments.

The Ministry of Youth and Sports of Ukraine is the main body in the system of central executive bodies, which ensures the formation and implementation of state policies in the field of youth, physical culture, and sports, and is part of the system of executive bodies. On a regional level, sports are managed by regional committees for physical culture and sports. In rural areas, sports are managed by district committees, and in cities by city administrations.

Public organisations of physical culture and sports are associations run by citizens that are created to meet the needs of their members in the field of physical culture and sports. The NOC of Ukraine coordinates the development of the Olympic Movement. The Sports Committee of Ukraine is responsible for the development of non-Olympic sports. The purpose of its activities is to promote the development of sports that do not have Olympic status, and which are part of the World Games, as well as to provide support and coordination of public organisations involved in the promotion of these sports.

In addition, national federations manage their relevant sports. National status can be granted for sports federations. This makes it possible to apply for state funding, sports titles, etc. For the development of sports for people with disabilities, the National Committee for Sports for the Disabled of Ukraine, the Special Olympiad of Ukraine, as well as federations for groups of athletes with different disabilities and impairments have been established.

There exist four so-called physical culture and sports communities, which are run as public organisations. Their main tasks relate to the implementation of state policies in the field of physical culture and sports, the arrangement of physical and health-improving activities, in particular at the citizens' workplaces, and the development of certain physical activities.

In the non-governmental sector, children's, youth, religious, political, and other organisations provide various kinds of support in the development of physical culture and sports (for example, sponsorship and charitable assistance).

There are also sports schools for children and youth (over 1000), sports clubs, and schools of higher sportsmanship.

## Governance-related sports policies and regulations

The budget of the year 2020 provided the allocation of 4.1 billion hryvnias (almost \$152 million) to finance the Ministry of Youth and Sports. Later in April 2020, the budget was revised, and spending on sports was reduced to 2.25 billion hryvnias (\$ 83 million). More than half of the allocated funds, i.e. UAH 1.55 billion (\$ 57 million), are directed to the development of physical culture, high-performance sports, and reserve sports.

The Ministry of Youth and Sports of Ukraine distributes funds among all participants in the country's sports movement. The priority is Olympic sports, and less is spent on non-Olympic sports. In accordance with the Law of Ukraine 'On Support of the Olympic, Paralympic Movement and Sports of Excellence in Ukraine' and Decrees of the President of Ukraine, champions and winners of the Olympics, Paralympics, Deaflympics, and World Games receive awards. So, the sum of prizes for gold winners at the Olympic or Paralympic Games amount to \$125.000.

Today, sport in Ukraine is developing in the conditions of constant change of leading political forces and leadership of central executive bodies. Programmes and strategies are being developed, but the change of management leads to the cessation of previous actions and the development of new ones, which negatively affects the field of physical culture and sports.

On the one hand, the Soviet system in the new economic conditions of sports development has shown its inefficiency. On the other hand, reforms are very slow in the constant change of the central executive body, which almost updates the name and leaders every year. Today, much redundant authority remains related to the Ministry of Youth and Sports, which limits sports federations. Sports federations may not hold any competitions or bring the rules of the sport in line with changes in international sports federations without the consent of the ministry.

In 2014, the decentralisation of power began, which also affected sports. Now, each city and region decide on the kinds of sports they need and their financial resources. Ukrainian legislation was brought in line with the requirements of the World Anti-Doping Agency, and a formula for automatic rating distribution of budget funds between sports (instead of 'manual', which undoubtedly contained a corruption component) was introduced, and a pilot project to expand the autonomy of sports federations was launched.

One of the areas of reform is transparency and the fight against corruption. Today, the ministry inspires other organisations with the help of its budget publication on the website, as well as publishing all orders of public expenses. Unfortunately, none of the criteria evaluated within this pilot project have become the basis for the distribution of budget funds among sports organisations. The main criteria for the distribution of funds remain the sporting successes of athletes at the Olympic Games, the World Championships, and the

European Championships among adults and the age group closest to the adult athletes, representation of Ukrainian athletes in the Olympic Games, the priority ranking of Olympic sports, approved by an order of the Ministry of Youth and Sports. A fixed amount of funds is set for sports with a low level of sporting performance, a small number of people engaged in organisational forms of training, and underdeveloped infrastructure. The fixed amount of funds is distributed among those sports and is directed primarily to all-Ukrainian sports competitions.

The Ministry does not set clear requirements for public structures regarding democracy, accountability, transparency, and societal responsibility. It is applicable only for those who participate in the project because they directly receive budget funds and have to report independently to external audit services.

## Methods

### The case selection

In Ukraine, 98 sports federations are recognized as the central executive body. According to the terms of the project, the five mandatory sports (athletics, football, handball, swimming, tennis) and the respective national organisations were selected: The Ukrainian Athletics Federation, the Swimming Federation of Ukraine, the Ukrainian Football Association, the Handball Federation of Ukraine, and the Tennis Federation of Ukraine. In addition, the Federation of Sports Billiards of Ukraine was selected as well as two umbrella organisations, the National Olympic Committee of Ukraine (the coordinating body of the national Olympic movement) and the Sports Committee of Ukraine (the coordinating body of the national non-Olympic movement). Thus, the study covered 6% of sports federations. The principle of the sample balance was observed: Three organisations small in size, three medium, and two large.

**Table 2: Sport, official name, official acronym**

Sport	Official Name	Official Acronym
Non-Olympic Sport Committee	Sports Committee of Ukraine	SCU
Olympic Committee	National Olympic Committee of Ukraine	NOC
Handball	Handball Federation of Ukraine	UGF
Athletics	Ukrainian Athletics Association	UAA
Football	Ukrainian Association of Football	UAF
Tennis	Ukrainian Tennis Federation	UTF
Billiards	Federation of Sports Billiards of Ukraine	FSBU
Swimming	Swimming Federation of Ukraine	SFU

Data collection was conducted in accordance with the standardised NSGO data collection process from August to September 2020. The federation assessments were summarised based on the standardised NSGO score sheets. Each organisation was evaluated according to their size: Small organisations (with a staff of less than 10 people) were evaluated on the basis of the basic indicators, medium size organisations (from 10 to 30 people) were evaluated on the basis of basic and intermediate indicators, and large organisations (with a staff of more than 30 people) were evaluated based on all indicators (basic, intermediate, and advanced).

- Phase 1 (1-8 August 2020). Addressing by official letters to the heads of national sports organisations with an offer to take part in the project and providing all the information on the peculiarities of its implementation. The selected organisations were informed about the content and research process. After obtaining consent, all sports organisations appointed a contact person to assist the researchers in gathering information. The project coordinator is the Vice-Rector of the National University of Ukraine on Physical Education and Sport, Doctor of Science, Professor Olha Borysova. Main researchers are Tetiana Kropyvnytska and Anna Volosiuk from the National University of Ukraine on Physical Education and Sport.

- Phase 2 (10-22 August 2020). Data collection and evaluation. The researchers conducted a preliminary study by examining the publicly available documents of sports federations. At this stage, the researchers received a notification from the Swimming Federation of Ukraine saying that the federation will not cooperate with the project. Despite the number of attempts and communications, the federation did not change its position explaining that it did not have enough time for such work.
- Phase 3 (25 August–7 September 2020). Reviews. The researchers interviewed the sports organisations to obtain missing data and additional information to evaluate the data.
- Phase 4 (8-15 September 2020). Based on the feedback, the researchers assigned the first estimates.
- Phase 5 (16-23 September 2020). At this stage, the last feedback occurred. The researchers sent the results to the sports federations and conducted interviews on the final scores. Some scores were adjusted based on additional evidence provided by the federations.
- Phase 6 (24-30 September 2020). The estimates were finalised. The results of the study were reported to national sports federations. Due to the fact that the Swimming Federation of Ukraine refused to participate in the project, the relevant scores were obtained based on the analysis of publicly available data. The report on the country is made.

## Results

According to the results of the surveys in eight sports institutions of Ukraine, the average NSGO index score is 38%, which corresponds to the label 'weak'. The highest average score among four dimensions was achieved in transparency (50%). Societal responsibility (35%), democracy (34%), and internal accountability and control (33%) correspond to the 'weak' level.

### Dimension 1: Transparency

The sports institutions that participated in the project showed a rather high score in transparency (average 50%, rated as 'moderate'). The lowest score was in the Swimming Federation of Ukraine (19%). Due to the refusal to communicate on the project, the researchers could only analyse information from public sources. The highest transparency dimension score belonged to the Tennis Federation of Ukraine (71%) that corresponds to the label 'good'.

- All sports organisations publish their charters and rules of the sports on their websites.
- Seven out of eight organisations do not publish the agenda of the general meetings on their websites. Only the Tennis Federation of Ukraine places such information on its website.
- Five out of eight organisations do not publish the minutes of the general meetings on their websites.
- Four out of eight organisations publish the minutes of the Board of Directors on their websites, others distribute them to the members via e-mail. Information on the Swimming Federation was not available.
- Information about the members of the Board of Directors is available on all websites of the organisations. Two out of eight websites indicate the terms of the contract of each member of the board including their professional experience. Almost none publish the duration and the number of previous mandates, with the exception of the Handball Federation of Ukraine, which publishes such information about the president. Only the NOC and the SCU add more information about other positions in sports organisations taken by members of the board. Contacts of one or more board members can be found on the websites of six organisations.
- Not all the organisations have associated clubs and athletes. The members of the NOC and the SCU are sports federations, and information about them is available on their websites. In comparison to European countries, the club system is poorly developed (except team sports) in Ukraine. For those organisations where these evaluation indicators should be included in almost all individual sports (except tennis), such information is not available on their websites. There is no information

about affiliated athletes on the websites of the Swimming, Athletics, and Football Federations.

- As for reporting transparency, the best situation is identified in the so called 'umbrella organisations' – the NOC and the SCU: They implement 6-7 points out of 10 of the sixth principle. Neither of the annual reports submitted for the benchmarking included the problem of conflicts of interest or the risks which the institution faces. Most of the organisations (five out of eight) do not publish reports on their websites, two organisations have not provided any evidence that the report is available to all parties. The process of submitting various types of information included in the annual report is not regulated in two out of the six organisations where this indicator was evaluated. In five of the organisations, the annual report does not reflect the goals of the organisation and how they were achieved over the past year by specific actions. Six of the organisations did not submit financial reports and do not include information on the activities of all standing committees in the annual report. Half of the organisations do not include information about the championships and events that they held in the annual report.
- As for reporting of the top management remuneration, most of the organisations stated that top management can only earn a salary, according to internal documents. There are no rewards or bonuses. Therefore, no report contains information on the remuneration of the Board of Directors.
- Only a representative of the Football Association said in an interview that the federation's financial report contained information on the procedure and regulations of remuneration for the Board. Only three out of the eight organisations' annual reports included financial reports on the remuneration of directors and managers.

## Dimension 2: Democratic processes

The sports organisations that took part in the project have demonstrated low scores on the democracy indicators (on average 34%, which is assessed as 'weak'). The range of fluctuations from the average score is small: from 25% (Handball Federation of Ukraine) to 48% (Ukrainian Tennis Federation).

- All the organisations have procedures for appointing and reappointing board members.
- In their statutes, almost all the organisations (seven out of eight) prescribe provisions for persons who have the right to vote during the election of board members; majority or percentage required to be elected, quorum, and election rounds.
- In seven out of the eight organisations, the general meeting directly elects the majority of the board members. Such rules increase the likelihood that elections will be fair and competitive. In addition, when officials have to run for elections, they are

motivated to act in the interests of their constituents.

- Only two organisations have rules that ensure elections by secret ballots. In their statutes, the other organisations state that the possibility of secret ballots is always available if the decision of the majority of the delegates is due to the general meeting.
- In general, in Ukrainian sports federations, there are no democratic practices and procedures that would set requirements for the experience and competencies of board members.
- None of the organisations have a separate document outlining the desired profiles of board members. In its charter, only one out of the eight organisations (Ukrainian Handball Federation) specifies the requirements for candidates for the position of the Federation President (age, capacity, citizenship of Ukraine, and experience in handball).
- None of the organisations have a nomination committee. However, the functions of such a committee are performed by an audit committee or an ethics committee in two of the organisations. They monitor the election process of the council members. Only the normative documents of the Ukrainian Football Association contain provisions that the president of the council cannot supervise the election process. No structural department in any of these organisations are looking for candidates for vacant council mandates.
- An important issue that characterises the democracy of governing bodies is the limitation of tenure. Only one organisation implements term limits (the FSBU).
- In all the organisations, membership is built in such a way that each individual sports participant is represented at the general meeting. There is always the possibility of holding an extraordinary session. The statutes stipulate the regularity of the general meeting at least once a year (except at the Federation of Sportive Billiard of Ukraine, where the statute stipulates a meeting once every five years, although the organisation has confirmed the minutes of the annual meeting). Only one organisation (the FLAU) allows absentee voting at general meetings, although, as practice has shown, most executive committee meetings and presidencies in the context of the COVID-19 pandemic have taken place remotely via the Internet.
- Regarding board meetings: All the organisations provided evidence of regular board meetings (except for the Swimming Federation of Ukraine). In the Handball Federation of Ukraine and the Sports Committee of Ukraine, meetings were held four times a year. The statutes of half of the organisations set a minimum of five meetings per year. It is established that the agenda of the board meetings is not regulated by anything in 75% of the organisations. There is no procedure for holding

board meetings and decision-making procedures in 25% of the organisations.

- Half of the organisations do not have a formal policy to involve athletes in their political processes.
- In their structure, all the organisations (except the Swimming Federation of Ukraine) have a representative body for athletes (usually the Athletes' Commission) or, by statute, athletes must be members of the organisation with the right to vote at the general meetings. In 67% of the organisations, referees and coaches are officially represented in the form of structural units. Coaching councils are established in most of the organisations, or there is a practice of including the head coach of the national team of Ukraine in the Executive Committee.
- None of the organisations have an official representation of volunteers and employees.
- The organisations do not take adequate measures to ensure gender equality. Only the Ukrainian Athletic Association has a separate paragraph "Gender equality" in its statute. The other organisations do not have a formal policy to promote equal access to representation for women and men at all stages of the decision-making process.
- The majority of the organisations do not use gender-sensitive procedures for nominating candidates for election, except for the Ukrainian Athletic Association and the Ukrainian Association of Football (the latter stipulates that at least one member of the Executive Committee must be a woman and adhere to this minimum in practice).

### Dimension 3: Internal accountability and control

The sports organisations that participated in the project showed low rates of accountability (on average 33%, which is evaluated as 'weak'). The lowest score was found in the Handball Federation of Ukraine (16%), which corresponds to the label 'not fulfilled'. The highest score for indicators of accountability was found in the NOC of Ukraine (49%), which corresponds to the label 'moderate'. These results indicate shortcomings in internal accountability and control procedures.

Except the NOC of Ukraine, none of the organisations have long-term policy plans and development strategies. Only three out of the eight organisations have submitted annual policy plans for approval to the General Assembly. Therefore, on the one hand, it can be stated that there is a lack of long-term documents in the organisations, and on the other hand, there is a low level of application of procedures that allows the general meetings to control the board.

- The statutes and internal regulations of only two out of the eight organisations provide multi-year and annual policy plans for the approval by the general meetings.

- In 63% of the organisations, the statutes or internal regulations stipulate that the general meetings must approve the annual financial reporting.
- In all the organisations, the board members vote at the general meetings.
- With regard to early resignation procedures, 63% of the organisations have established general procedures for early resignation of board members, but there are only 25% of the organisations where a General Assembly should vote on the issue. Two of the eight organisations have established a procedure for early resignation of board members in case of repeated absence, despite warnings.
- None of the organisations provide a procedure for the early resignation of board members in the case of conflicts, such as incompatible views.
- Only two out of the eight organisations have a code of ethics that is also applied to the board members.
- A similar situation is observed relating to the rules and procedures designed to minimise conflicts of interest. In its statutes, only one organisation (Ukrainian Association of Football) identifies those circumstances under which a person cannot be a member of the board due to a conflict of interest.
- None of the organisations establish a provision restricting the representation of a person who has a commercial relationship with the organisation to be a member of the board. In 63% of the organisations, such persons do not serve on the board.
- Only two out of the eight organisations stipulate that a person who is a member of a judicial body in the organisation cannot be a member of the board. In practice, the members of the judiciary are not members of the board in 75% of the organisations.
- Only three of the organisations do not include current national politicians in the council.
- All the organisations have identified key positions (president and at least one more position) in the council by regulations. Except the NOC of Ukraine, all the organisations delegate powers relating to the budget and finance of the organisation to the board.
- In their documents, half of the organisations state that the board determines the general policy of the organisation, and 75% of the organisations impose functional policy on the management.
- In their regulations, most of the organisations (75%) define the tasks delegated to the standing committees as well as the requirements of each committee and

reporting on them.

- The regulatory documents of all the organisations outline the responsibilities and competencies delegated to management, but none of them regulate that the board determines the remuneration of management.
- Only two out of the eight organisations have provisions that the management regularly and periodically reports on the functional management and financial status of the organisations and evaluates and discusses individual performance indicators.
- All the organisations have audit committees established in their structures, functions and tasks of which are defined by the regulations. However, in their statutes or in other documents delegating to these structures, none of the organisations provide that the audit committees' tasks include the assessment of and recommendations regarding risk management and governance.
- In their statutes or internal regulations, all the organisations state that the tasks of the audit committees include overseeing the internal audit process.
- In general, the sports organisations in Ukraine do not sufficiently apply the basic mechanisms of financial control. On the one hand, where the organisation's budget is made mainly at the expense of state funds (for example, the Sports Committee of Ukraine), the entire financial circulation of state funds is regulated by the legislation of Ukraine. The use of funds is regulated by the Cabinet of Ministers. Therefore, there can be no internal orders. In the other organisations that participated in the study, no document defines the rules for signing financial documents by at least two people, restricts the use of cash funds, sets financial thresholds for contracts with external parties, and stipulates the provisions for a periodic review of significant financial transactions.
- None of the represented organisations stipulates that the board needs to conduct an annual self-evaluation.
- It is good practice in half of the organisations to use the external audit procedure although risk management, compliance analysis of the management structure, and internal processes again remain unused for the majority of organisations.
- A code of ethics is also not a common practice among the Ukrainian sports organisations. It is implemented for use to members of the board and other employees in only two of the organisations – the NOC of Ukraine and the Ukrainian Association of Football. The codes of ethics are signed by all the members of the council and contain provisions on conflicts of interest of board members. The Ukrainian Association of Football has rules that restrict the acceptance of gifts by board members and other officials although the principles concerning the expenses of the council

members are not considered in the rules.

- Among all the organisations, the NOC of Ukraine and the Ukrainian Association of Football remain the most progressive considering issues of conflict of interest. Their regulations set out the procedures for resolving conflicts of interest of the board members and provide that members of the board may not vote on certain decisions where there is a conflict of interest.
- In 87% of the organisations, the statutes or other internal regulations establish procedures for reviewing complaints of violations of existing rules of conduct. Most (75%) documents contain procedures and rules for filing complaints. A total of 63% of the organisations have rules for investigating complaints and certain rules for notifying the complainant of the results of the investigation. A total of 60% of the organisations have rules for referring a case to an independent internal or external court. As for the secrecy of the investigation, only the Ukrainian Association of Football provides for such provisions. None of the organisations allow persons to file an anonymous complaint.
- Procedures for appealing sports sanctions are established by all the organisations except for the Handball Federation of Ukraine. However, most of the organisations (71%) do not have procedures in place that members of the relevant dispute resolution body cannot belong to the board or any of the standing committees. None of the organisations provide means for legal aid or pro bono counsel.
- Two out of the eight organisations approve the annual schedule of meetings at the beginning of the year and one of them put on the agenda issues related to the discussion of the budget and financial statements, annual report, and the preparation of the general meeting. The issues of conducting annual self-assessments and management evaluations are not raised.

#### Dimension 4: Societal responsibility

The sports organisations that participated in the project showed low societal responsibility (an average of 35%, rated as 'weak'). The lowest score was found in the Ukrainian Handball Federation (10%), which corresponds to the label 'not fulfilled'. The highest score for indicators on societal responsibility was achieved in the Sports Committee of Ukraine (73%), which corresponds to the label 'good'. However, it needs to be kept in mind that many of the principles in dimension 4 were not evaluated because they were not related to the activities of the specific surveyed organisation.

- Half of the organisations have a formal policy which they implement to consult their members in the field of management and governance as well as to organising seminars. Three out of the five organisations (which had to meet this criterion) have contact persons who are responsible for these issues. However, the individual consultations are almost never conducted. An assessment of the relevant actions'

impact by the organisations is practically not carried out.

- Regarding activities aimed at reducing the health risks faced by a person going in for the relevant sport, the following is true: There is neither a written policy in the organisations nor exist relevant departments or persons responsible for this activity. However, some 83% of the organisations inform athletes about the specific risks associated with the sport in question by providing webinars and seminars.
- None of the organisations have a formal (written) policy that sets goals and specific actions to combat sexual harassment in sport. In addition, none of the federations are taking action to raise awareness of sexual harassment.
- Except the Ukrainian Federation of Handball that did not provide any evidence, all the organisations carry out activities to prevent the use of prohibited substances:
  - A total of 50% of the organisations have a formal (written) policy that defines the goals and specific actions aimed at preventing, detecting, and combating doping
  - In their activities, a total of 75% of the organisations apply disciplinary anti-doping rules, according to the World Anti-Doping Code. Furthermore, they implement formal procedures that establish their cooperation with the National Anti-Doping Centre
  - Three out of the eight organisations have persons responsible for this area of activity
  - Five of the organisations take measures to raise awareness of anti-doping rules. None of the organisations have analysed the impact of relevant actions.
- Two out of the eight organisations have implemented a formal policy aiming at involving military men in sports who were injured in the east of the country. The same policy is aiming at involving orphans or low-income families in sports. Half of the organisations are responsible for this area and cooperate with other organisations (for example, with the juvenile police, social protection funds, etc.). There was no impact assessment of the relevant actions.
- A weak point in the matter of Ukrainian sports structures lies in the implementation of anti-discrimination policies in sports. Here, we can identify only the Ukrainian Association of Football, which implements seven out of the 11 indicators that assess this principle, as well as the NOC of Ukraine, which implements two out of the 11 indicators.
- There are separate actions to promote gender equality in sport; sometimes, even these provisions are included in the statutes (for example, the statutes of the NOC of Ukraine, the Ukrainian Association of Football, and the Ukrainian Athletic Association). However, systemic actions and results are clearly lacking.

- The best indicators of match-fixing policy implementation are characteristic for the Ukrainian Association of Football. Out of nine indicators, the organisation implements eight. The other organisations lag significantly behind.
- Only the NOC of Ukraine has an official policy of promoting environmental sustainability, but some of the organisations implement only certain activities: Promoting environmental sustainability during sports competitions (the Sports Committee of Ukraine), etc.
- A bit more than half of the organisations have a policy which promotes dual career of athletes and creates conditions for combining sports activities and education.
- The best criteria were achieved in the promotion of sport for all: A total of 87% of the organisations take measures to promote sport for all: Seven of them promote sport for all; five have a formal policy that defines the goals and specific actions aimed at promoting sports for all as well as a responsible employee in this area. Half of them promote and support sport for all in the member organisations and cooperate with other organisations. Again, the weak point is the assessment of appropriate impact of their actions: Only two of the organisations carry out such an analysis.
- As for the treatment of professional athletes, not all the organisations could meet these criteria due to the lack of professional athletes. Three organisations that coordinate the activities of professional athletes do not meet any of the indicators of principle 46.

## Discussion and policy implications

In summarising the results of the research project, we can draw the following conclusions:

1. It is too early to talk about proper management and governance in the Ukrainian sports organisations. For most of the principles, they do not meet the level of 'good' or 'very good'. Sometimes, they do not even achieve the level of 'moderate'. This can be partly explained by the fact that, in Ukraine, significant changes began only in 2014 at the level of state organisations in terms of transparency and accountability. Therefore, this process has not yet spread to the activities of public organisations, to which none currently set such tasks. The exceptions are the public organisations that participated in the project initiated by the Ministry of Youth and Sports of Ukraine. They receive public funds directly and must report to the relevant state regulatory authorities. One of these federations took part in the NSGO benchmarking project – the Ukrainian Athletic Association.

Another factor influencing compliance with good governance standards is the activities of the relevant international organisations. If they implement these principles and insist (recommend) on implementation at the level of national structures, then the situation is better (for example, the NOC of Ukraine and the Ukrainian Association of Football).

2. The positive moments in the performance of the sports organisations of Ukraine are as follows:
  - a. The presentation of main documents on their websites - statutes, rules of the competition, and the structure of the organisation.
  - b. The regular holding of the board meetings and general meetings with registration of the corresponding minutes.
  - c. A fairly wide practice of being able to appeal decisions.
  - d. The establishment of quorums (from 50% to 75%) when voting for different levels of issues.
  - e. A large number of seminars were held by the Ministry of Youth and Sports, the NOC of Ukraine, and the Sports Committee of Ukraine on doping, match-fixing, management, and governance of organisations. However, there is a passive position on the part of the federations regarding their attendance. It is unclear whether the representative of the federation who attended the seminar spread information in their organisation afterwards, and whether the organisation implements received practical advice.

- f. Positive changes in gender, social responsibility, and activities to combat doping. However, these activities are often informal, and therefore, irregular, unaccountable, and unplanned. The organisations have shared interesting experiences of their work with athletes, society, coaches, and referees. However, there have been no corresponding formalised policies yet.
  - g. A positive trend towards the development and implementation of codes of ethics (although this is still an isolated practice).
3. The weaknesses are:
- a. A lack of short-term and long-term developmental strategies, action plans, and quarterly and annual reports. In some cases, if certain documents exist, there is no desire to publish them, especially what regards financial statements. This practice undermines the credibility of private sponsorships, non-governmental donors, and society, and might result in limited extra-budgetary funding. The lack of strategic documents slows down the development of sports in the organisations, and it prevents them to work future-orientated.
  - b. The limited financial resources of the sports federations, which do not allow them to specify the directions of their work through the establishment of appropriate structures (committees, commissions, departments), and the recruitment of competent personnel.
  - c. The violation of the democratic principles regarding the electoral process due to the lack of restrictions on management positions. Furthermore, the practice of secret ballots is not widespread, which does not allow a person to freely express his or her will without fearing consequences. Moreover, the sports organisations often lack appropriate independent bodies to oversee the election process.
  - d. The desire of the sports organisations to involve politicians and businessmen in their leadership to increase their financial capacity and lobby their own interests.
  - e. The lack of management profiles in the organisations, which gives the opportunity for persons who do not have the appropriate competencies or experiences to enter the management board.
  - f. The weak participation in the political processes by the main sports people - athletes, coaches, referees, volunteers.
  - g. The lack of self-assessment practices for activities, lack of risk management, and the lack of involvement of external experts in the assessment. This does not give an idea of whether the activity is correct and effective.

The promising ways to improve the sports management system and meet the criterion of 'proper' can be:

1. Compliance with the government's commitment to good governance in sport.
2. Changes in the legislative acts of Ukraine in accordance with the implementation of the criteria of good governance.
3. Mandatory consideration in the distribution of public funding among the sports organisations of their compliance with the principles of good governance. Application of good governance criteria as a tool for assessing the prioritisation of sports.
4. The completion of the project at national level on the autonomy of sports federations and an analysis of its results, and in case they are accepted as positive, the spread of this practice to other organisations.
5. Obligations on systematic accountability and a long-term planning by sports federations. Furthermore, some sort of control over the application of good governance criteria.
6. Priority and communication of the importance of social responsibility in sport (integrity and gender equality).
7. Development of detailed instructions on the practical application of good governance principles.
8. Implementation of ISO standards in the organisations' activities.
9. Raising awareness among representatives of sports organisations about the standards of good governance.
10. Strengthening control by international sports organisations over the implementation of good governance criteria.

The implementation of the proposed ways to improve the management and governance system requires political will, compliance of the central executive body in the field of physical culture and sports with the criteria of good governance, ensuring broad autonomy of the federations with the introduction of a system of control over their activities, creating the practices of moral and material incentives for the implementation of good governance in the organisations, redistribution of funding to ensure human resources, information support and support of these processes by competent persons.

Positive developments in some of the organisations have already taken place during the data collection process. However, systematic work of the government, the public, and the international organisations is needed.

## References

The State target social program for the development of physical culture and sports for the period up to 2020. Available at: <https://zakon.rada.gov.ua/laws/show/115-2017-%D0%BF#Text>

The Anti-Corruption Program draft of the Ministry of Youth and Sports of Ukraine for 2020-2021. Available at: <http://dsmsu.gov.ua/index/ua/material/51374>

The Anti-corruption program of the Ministry of Youth and Sports of Ukraine for 2019. Available at: <http://dsmsu.gov.ua/index/ua/material/51374>

The Road map for reforms in the field of physical culture and sports. Available at: <http://dsmsu.gov.ua/index/ua/material/16950>

The National strategy for physical fitness in Ukraine for the period up to 2025 "Physical activity - a healthy lifestyle - a healthy nation." Available at: <https://zakon.rada.gov.ua/laws/show/42/2016#Text>

The Law of Ukraine "On Physical Culture and Sports" of November 17, 2009 N 1724-VI: Available at: <https://zakon.rada.gov.ua/laws/show/3808-12#Text>

The State budget of Ukraine. Available at: <https://index.minfin.com.ua/ua/finance/budget/gov/>

The Annual information handbook "Ukraine of Sports - 2019". Available at: <http://dsmsu.gov.ua/index/ua/material/51372>

The Report on physical culture and sports for 2019. Available at: <http://dsmsu.gov.ua/index/ua/material/50944>

Ukrainian sports statistics, the official online platform for sports statistics: The Law of Ukraine "On Support of the Olympic, Paralympic Movement and Sports of Excellence in Ukraine" of September 14, 2000 № 1954-III. Available at: <http://dsmsu.gov.ua/index/ua/category/55>

The Law of Ukraine "On Support of the Olympic, Paralympic Movement and Sports of Excellence in Ukraine" of September 14, 2000 № 1954-III. Available at: <https://zakon.rada.gov.ua/rada/show/1954-14#Text>

The Law of Ukraine "On Anti-Doping Control in Sports" of February 7, 2017 № 1835-VIII. Available at: <https://zakon.rada.gov.ua/laws/show/1835-19#Text>

The Law of Ukraine "On Volunteering" of April 19, 2011 № 3236-VI. Available at:  
<https://zakon.rada.gov.ua/rada/show/3236-17#Text>

The Program of activities of Ukraine's Cabinet of Ministers. Available at:  
<https://www.kmu.gov.ua/npas/pro-zatverdzhennya-programi-diyalnosti-kabinetu-ministriv-t120620>

On conducting an experiment on the involvement of national sports federations by the Ministry of Youth and Sports in certain Olympic sports in the organisation and conducting sports events and amendments to the resolutions of the Cabinet of Ministers of Ukraine as of July 8, 2009 № 695 and February 29, 2012 № 152: Resolution Cabinet of Ministers of Ukraine from 05 Aug. 2015 [Electronic resource]. – Access mode: <https://zakon.rada.gov.ua/laws/show/en/573-2015-p>.

On the establishment of the Advisory Council on Sports Autonomy. Order of the Ministry of Youth and Sports of Ukraine dated November 28, 2014 № 3993 [Electronic resource]. – Access mode: <http://zakon.rada.gov.ua/rada/show/v3993728-14>.

On approval of the Procedure for the use of funds provided in the state budget for the preparation and participation of national teams in the Olympic, Youth Olympic, World and European Games: Resolution of the Cabinet of Ministers of Ukraine as of February 28, 2011. № 239 [Electronic resource]. – Access mode: <https://zakon.rada.gov.ua/rada/show/239-2011-n>.

On approval of the Regulations of the state institution "Management of national teams and sports events" Ukrsportzabezpechennya "in the new edition: the order of the Ministry of Youth and Sports as of July 2, 2018 № 3033 [Electronic resource]. – Access mode: <https://zakon.rada.gov.ua/rada/show/v3033728-18>.

About the statement of the Situation on the order of the organisation and carrying out of official sports competitions and training meetings and the order of material maintenance of their participants: the order of the Ministry of Youth and Sports as of February 9, 2018 № 617 [Electronic resource]. – Access mode: <https://zakon.rada.gov.ua/laws/show/z0264-18>.

On approval of the Regulations on the rating of Olympic sports in Ukraine: the order of the Ministry of Youth and Sports as of October 21, 2013 № 677 [Electronic resource]. – Access mode: <https://zakon.rada.gov.ua/laws/show/z1893-13>

About the statement of Criteria of Olympic sports priority: the order of the Ministry of Youth and Sports as of June 15, 2016 № 2392 [Electronic resource]. – Access mode: <https://zakon.rada.gov.ua/laws/show/z1066-18>.

About the statement of Criteria of priority of the non-Olympic kinds of sports recognized in Ukraine: the order of the Ministry of Youth and Sports as of August 30, 2018 № 4000 [Electronic resource]. – Access mode: <https://zakon.rada.gov.ua/laws/show/z1066-18>.

On the principles of domestic and foreign policy: Law of Ukraine as of July 1, 2010 № 2411-VI [Electronic resource]. – Access mode: <https://zakon.rada.gov.ua/laws/show/2411-17>.

On approval of the categorization of non-Olympic sports recognized in Ukraine for 2018 - 2021: order of the Ministry of Youth and Sports as of October 5, 2018 № 4641 [Electronic resource]. – Access mode: [http://search.ligazakon.ua/l\\_doc2.nsf/link1/MUS31048.html](http://search.ligazakon.ua/l_doc2.nsf/link1/MUS31048.html).

About the statement of Criteria on transparent distribution of budgetary funds among Olympic sports: the order of the Ministry of Youth and Sports as of July 4, 2018 № 3050 [Electronic resource]. – Access mode: <https://zakon.rada.gov.ua/laws/show/z0853-18>.

On state lotteries in Ukraine: Law of Ukraine as of September 6, 2012 № 5204-VI [Electronic resource]. – Access mode: <https://zakon.rada.gov.ua/laws/show/5204-17>.

On the prohibition of gambling in Ukraine: the Law of Ukraine as of May 15, 2009 № 1334-VI [Electronic resource]. – Access mode: <https://zakon.rada.gov.ua/laws/show/1334-17>

On the National Program for Adaptation of the Legislation of Ukraine to the Legislation of the European Union: Law of Ukraine as of March 18, 2004 № 1629-IV (Edition dated 04.11.2018, basis – 2581-VIII) [Electronic resource]. – Access mode: <https://zakon.rada.gov.ua/laws/show/1629-15>.

On charitable activities and charitable organisations: Law of Ukraine as of July 5, 2012 № 5073-VI [Electronic resource]. – Access mode: <https://zakon.rada.gov.ua/laws/show/5073-17>.

On public associations: Law of Ukraine as of March 22, 2012 № 4572-VI [Electronic resource]. – Access mode: <https://zakon.rada.gov.ua/laws/show/4572-17>

The order on use of the means provided in the state budget for development of physical culture, sports of the highest achievements and reserve sports: the resolution of the Cabinet of Ministers of Ukraine as of February 29, 2012 № 152 [Electronic resource]. – Access mode: <http://zakon.rada.gov.ua/laws/show/152-2012-n>.

The concept of reforming the field of physical education and sports (basic provisions) [Electronic resource]. – Access mode: <http://dsmsu.gov.ua/index/ua/material/15363>.

The order of the Ministry of Youth and Sports on the formulas of automatic, transparent distribution of budget funds among Olympic sports has been approved. Government portal [Electronic resource]. – Access mode:

<https://www.kmu.gov.ua/ua/news/zatverdzheno-nakaz-minmolodsportu-pro-formuli-avtomatichnogo-prozorogo-rozpodilu-byudzhetnih-koshtiv-mizh-olimpijskimi-vidami-sportu>.

State experiment among sports federations [Electronic resource]. – Access mode: <http://dsmsu.gov.ua/index/ua/category/365>.

Some issues of corruption prevention in ministries and other central executive bodies: order of the Cabinet of Ministers of Ukraine as of October 5, 2016 № 803 [Electronic resource]. – Access mode: <https://zakon.rada.gov.ua/laws/show/803-2016-p>.

Law of Ukraine “On Prevention of Corruption” as of October 14, 2014 № 1700-VII: Available at: <https://zakon.rada.gov.ua/laws/show/1700-18#Text>

Law of Ukraine “On Ratification of the Council of Europe Convention against Manipulation of Sports Competitions” as of November 16, 2016 № 1752-VIII Available at: <https://zakon.rada.gov.ua/laws/show/1752-19#Text>

# NATIONAL SPORTS GOVERNANCE OBSERVER

## COUNTRY REPORT: UNITED STATES OF AMERICA

## Key results: United States of America (U.S.)

Figures 1, 2, and 3 show the U.S.' main NSGO scores. Table 1 summarises the surveyed federations' principle scores by showing their corresponding labels.

Figure 1: The U.S. overall NSGO index score

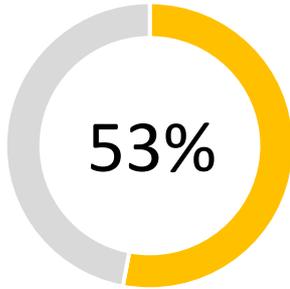


Figure 2: The U.S. scores on the four NSGO dimensions

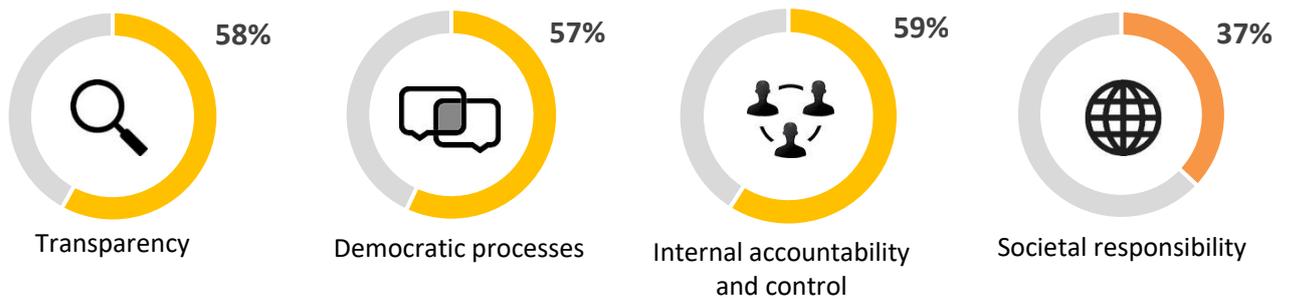
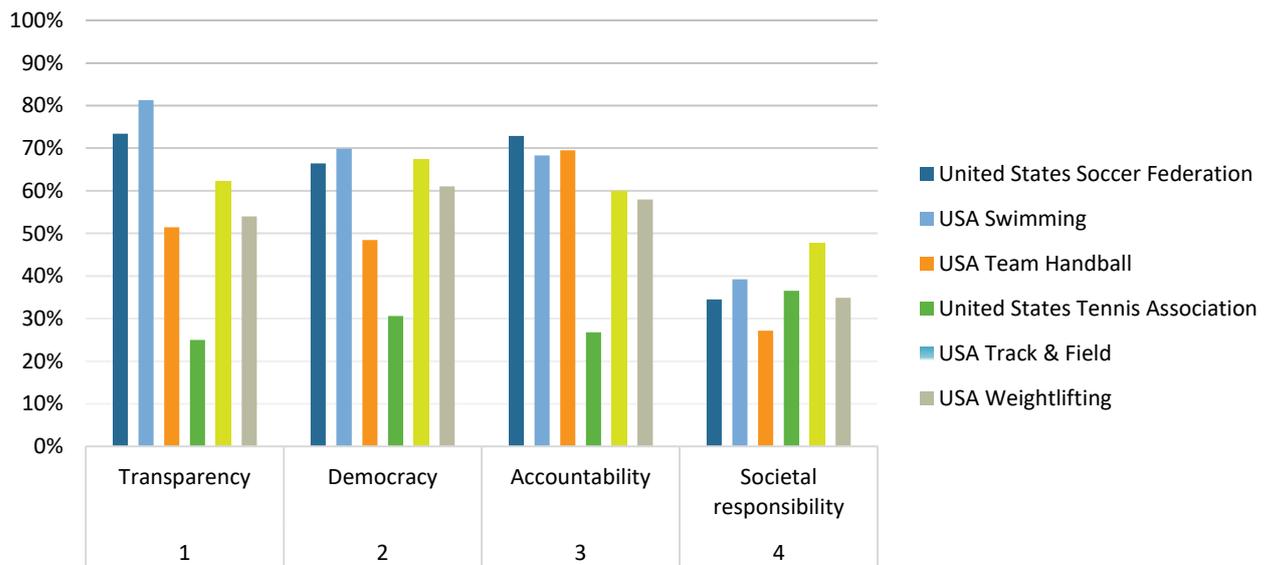


Figure 3: The surveyed U.S. sports federations' scores on the four NSGO dimensions



**Table 1: The surveyed federations' scores on the 46 NSGO principles – U.S.**

	Principle	US Soccer	USA Swimming	USA Team Handball	US Tennis	USA Track & Field	USA Weightlifting
Transparency	1. Legal and policy documents	Very good	Very good	Very good	Very good	Very good	Very good
	2. General assembly	Very good	Very good	Good	Not fulfilled	Very good	Good
	3. Board decisions	Very good	Very good	Very good	Not fulfilled	Very good	Very good
	4. Board members	Not fulfilled	Very good	Good	Not fulfilled	Very good	Very good
	5. Athletes and clubs	Very good	Very good	Very good	Good	Good	Not fulfilled
	6. Annual report	Very good	Good	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled
	7. Remuneration	Very good	Good	Not fulfilled	Good	Good	Very good
Democratic processes	8. Elections of board members	Very good	Very good	Very good	Good	Very good	Very good
	9. Policy for differentiated board	Very good	Very good	Good	Not fulfilled	Very good	Very good
	10. Nomination committee	Very good	Very good	Very good	Very good	Very good	Very good
	11. Quorums	Very good	Very good	Good	Good	Very good	Good
	12. Term limits	Very good	Very good	Good	Good	Good	Very good
	13. Member representation	Very good	Very good	Good	Very good	Very good	Very good
	14. Regular board meetings	Very good	Very good	Very good	Good	Very good	Very good
	15. Athletes' participation	Very good	Very good	Very good	Good	Very good	Very good
	16. Referees' participation	Very good	Good	Not fulfilled	Not fulfilled	Good	Very good
	17. Coaches' participation	Very good	Very good	Not fulfilled	Not fulfilled	Very good	Very good
	18. Volunteers' participation	Good	Good	Very good	Not fulfilled	Very good	Not fulfilled
	19. Employees' participation	Not fulfilled	Good	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled
	20. Gender equality policy	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Good	Good
Internal accountability and control	21. Supervision of board	Good	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled
	22. Board resignation procedures	Very good	Very good	Very good	Very good	Very good	Very good
	23. Board eligibility rules	Very good	Good	Very good	Not fulfilled	Good	Very good
	24. Clear governance structure	Very good	Good	Very good	Very good	Very good	Very good
	25. Supervision of management	Very good	Not fulfilled	Very good	Not fulfilled	Good	Very good
	26. Audit committee	Very good	Very good	Very good	Not fulfilled	Not fulfilled	Good
	27. Financial controls	Very good	Very good	Very good	Not fulfilled	Very good	Very good
	28. Board self-evaluation	Good	Very good	Not fulfilled	Not fulfilled	Very good	Good
	29. External audit	Very good	Very good	Very good	Good	Very good	Very good
	30. Code of conduct	Not fulfilled	Very good	Very good	Good	Very good	Good
	31. Conflict of interest procedures	Very good	Very good	Very good	Good	Good	Very good
	32. Complaint procedure	Very good	Not fulfilled	Very good	Good	Very good	Very good
	33. Appeal procedure	Very good	Very good	Very good	Good	Very good	Very good
	34. Board meeting schedule	Very good	Very good	Not fulfilled	Not fulfilled	Good	Not fulfilled
Societal responsibility	35. Governance consulting	Not fulfilled	Good	Not fulfilled	Good	Very good	Good
	36. Mitigating health risks	Very good	Not fulfilled	Not fulfilled	Very good	Very good	Not fulfilled
	37. Combating sexual harassment	Very good	Very good	Very good	Very good	Very good	Very good
	38. Anti-doping	Very good	Good	Not fulfilled	Good	Very good	Very good
	39. Social inclusion	Good	Not fulfilled	Not fulfilled	Very good	Not fulfilled	Not fulfilled
	40. Anti-discrimination	Good	Good	Good	Good	Good	Very good
	41. Gender equality	Not fulfilled	Not fulfilled	Very good	Not fulfilled	Good	Good
	42. Anti-match-fixing	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled
	43. Environmental sustainability	Not fulfilled	Good	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled
	44. Dual careers	Not fulfilled	Not fulfilled	Not fulfilled	Not fulfilled	Very good	Not fulfilled
	45. Sport for all	Not fulfilled	Good	Very good	Very good	Very good	Not fulfilled
	46. Athletes' rights	Good	Very good	Very good	Not fulfilled	Not fulfilled	Good

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

By Spencer Harris<sup>57</sup>

## Overview

This chapter offers a descriptive overview of the six national governing bodies (NGBs) included in the National Sports Governance Observer (NSGO) benchmarking project for the U.S. The six NGBs representing athletics, football (soccer), handball, swimming, tennis, and weightlifting were selected to meet the dual aims of providing some level of sample consistency with other nations involved in the benchmarking project and to focus on different size NGBs (size by number of full-time employees).

The entire six phases of the project took ten months to complete. Phase 1 began in early January 2019 and was promptly followed by phase 2 which started in mid-January and was finished by mid-May 2019. The feedback verifying the data started in May and finished in late July. This was followed by second round scoring completed by the end of August, a second round of feedback from NGBs completed by the end of September, and the final scoring and project being completed in early October 2019.

The average NSGO index score for the sports federations in the U.S. is 53%, which is considered 'moderate' by the NSGO scoring system. In considering each of the four dimensions, the highest average percentage score was attained by internal accountability and control with 59%, followed by transparency at 58%, and democratic processes at 57% (all 'moderate'). The lowest average percentage score was attributed to the societal responsibility dimension with a percentage score of 37% ('weak'). While the study clearly contains important methodological limitations, discussed below, it also draws attention to areas of distinctiveness in regard to the U.S. context as well as highlights the relative strengths and weaknesses in the extent to which U.S. NGBs meet good governance standards.

This overview is followed by an account of the U.S. context as it pertains to sport. Following this, the process and procedures for data collection and analyses are summarised. The concluding sections address the findings of the study organised by the four good governance dimensions, and a brief discussion of the findings.

---

<sup>57</sup> PhD, Associate Professor, University of Colorado, Colorado Springs

## Context

### Corporate governance

Contextually, the turn of the 21<sup>st</sup> century marks an important point in time regarding corporate governance in the U.S. In particular, the period 2000-2002 saw a relatively large number of major corporate governance and accounting scandals, including Enron, World-Com, and Tyco, which ultimately triggered the passing of legislation including the seminal Sarbanes-Oxley Act of 2002. Named after the bill sponsors, U.S. Senators Paul Sarbanes and Michael Oxley, the Act was instrumental in developing a tighter regulatory framework for the governance of public companies<sup>58</sup>. It was also influential in developing stronger good governance requirements for U.S. private companies and non-profits, and important in advancing robust financial governance laws in other countries (Colon, 2005). In short, Sarbanes-Oxley now provides the overarching legislative framework for corporate governance. It addresses a wide range of provisions including the responsibilities of the board of directors, auditor independence, corporate responsibility, financial disclosures, conflicts of interest, criminal penalties, as well as corporate and criminal fraud accountability. For non-profit agencies, such as NGBs of sport, Sarbanes-Oxley incorporated a provision prohibiting the destruction, alteration or concealment of documents or the impediment of investigations as well as a provision prohibiting retaliation against whistle-blowers.

Parallel to Sarbanes-Oxley, the Internal Revenue Service (IRS) has over recent years become increasingly involved in seeking to promote good governance across the tax-exempt sector (including non-profit NGBs of sport) in the U.S. This work has primarily been driven by the belief that an organisation exhibiting good governance is more likely to be compliant and better equipped to self-identify and resolve governance related problems (Brier et al., 2008). Consequently, the IRS now require all tax-exempt organisations:

- to file organisational documentation that details the framework for its governance and management<sup>59</sup> so that the IRS can evaluate and approve whether the association is organised exclusively for exempt purposes
- to consider the size, structure, skills, capacity, and independence of the board
- to develop and implement policies concerning executive compensation, conflicts of interest, investments, fundraising, documenting governance decisions, document retention and destruction, ethical standards, and whistle-blower claims
- To file annual financial statements so that the IRS may ensure that resources are being used to further charitable purposes and that the organisation's finances are appropriately accounted for, and for the purpose of transparency, to require that these be made available for public inspection.

In addition to Sarbanes-Oxley and the IRS, the United States Olympic and Paralympic Committee (USOPC) approved new NGB compliance standards in June 2021 setting out specific requirements for governance and compliance, financial standards and reporting

---

<sup>58</sup> The Sarbanes-Oxley Act, 2002 applies to all public companies whose securities are traded on U.S. exchanges.

<sup>59</sup> State law often prescribes the type of documentation, its content and associated bylaws.

practices, athlete protections and rights, sport performance, and operational performance (see table 2). The USOPC report that the standards were developed to “better serve our athletes, carry out the values of the Olympic and Paralympic movement”, and to comply with the requirements of the Ted Stevens Olympic and Amateur Sports Act and the USOPC’s bylaws (USOPC, 2021, p. 2).

**Table 2: NGB Compliance Standards (source: USOPC, 2021<sup>60</sup>)**

Section	Requirements
Governance and compliance	<ul style="list-style-type: none"> <li>• Adopt and maintain governance and athlete representation policies complying with the requirements of the USOPC Bylaws</li> <li>• Adopt and maintain an Athletes Advisory Council as a part of its overall governance structure</li> <li>• Adopt and maintain appropriate governance practices</li> <li>• Be recognised by the Internal Revenue Service (IRS) as a tax-exempt organisation under the Internal Revenue Code</li> <li>• Adopt and enforce a code of conduct for its employees, members, board of directors, and officers</li> <li>• Adopt and enforce ethics policies and procedures</li> <li>• NGBs must submit annual reports to the USOPC that include information as set forth in the Act §220522.</li> <li>• NGB must publish the Ombuds’ Policy on its website and communicate the availability of the policy to its athletes as set forth in the Act §220509</li> <li>• Fulfil all responsibilities as an NGB as set forth in the Act and by the corporation</li> </ul>
Financial standards and reporting practices	<ul style="list-style-type: none"> <li>• Demonstrate financial operational capability to administer its sport</li> <li>• Adopt a budget and maintain accurate accounting records in accordance with accounting principles generally accepted in the United States of America (GAAP)</li> <li>• Submit its complete IRS Form 990 and audited financial statements, including management letter and budget, to the corporation annually</li> <li>• Post on its website its current bylaws, its IRS Form 990 for the three most recent years, and its audited financial statements for the three most recent years</li> </ul>
Athlete protections and rights	<ul style="list-style-type: none"> <li>• Comply with all applicable athlete safety and child protection laws</li> <li>• Comply with the policies and requirements of the U.S. Center for SafeSport</li> <li>• Maintain and enforce an athlete safety programme consistent with the policy(ies) and standards directed by the corporation</li> <li>• Comply with the anti-doping policies of the corporation and with the policies and procedures of USADA</li> <li>• Satisfy such other requirements as are set forth by the corporation</li> </ul>
Sport performance	<ul style="list-style-type: none"> <li>• For each applicable Team USA Delegation Event, NGBs must draft selection procedures that comply with the Act and USOPC Bylaws to be submitted for review and approval by the USOPC’s Sport Performance team. In addition, NGBs must publish selection criteria for all other Protected Competitions in accordance with the Act. Selection procedures for non-Delegation Events are not subject to USOPC approval.</li> <li>• Competently and timely recommend to the corporation athletes, teams, and team officials for Delegation Event teams as applicable</li> <li>• Maintain and implement effective plans for successfully training Delegation Event athletes</li> <li>• Satisfy such other requirements as are set forth by the corporation</li> </ul>
Operational performance	<ul style="list-style-type: none"> <li>• Demonstrate managerial capability to administer its sport</li> <li>• Obtain and keep current insurance policies in such amount and for such risk management as appropriate</li> </ul>

<sup>60</sup> Pragmatism and space considerations prevent inclusion of the entire framework. However, it is important to note that the framework also provides detailed standards for each of the specified requirements.

	<ul style="list-style-type: none"> <li>• Actively seek, in good faith, to generate revenue in addition to any resources that may be provided by the corporation, sufficient to achieve financial sustainability</li> <li>• Maintain and enforce grievance procedures that provide for prompt and equitable resolution of grievances and fair notice and an opportunity for a hearing before declaring an individual ineligible to participate</li> <li>• Adopt a whistle-blower and anti-retaliation policy</li> <li>• Cooperate with the corporation in preventing the unauthorised use of the names and trademarks of the corporation, the words “Olympic,” “Paralympic” and “Pan American,” and their derivatives, as well as their symbolic equivalents</li> <li>• Demonstrate an organisational commitment to diversity and inclusion</li> <li>• Maintain and execute a strategic plan that is capable of supporting athletes in achieving sustained competitive excellence, and in growing the sport</li> <li>• Satisfy such other requirements as are set forth by the corporation</li> </ul>
--	--

## The sports system

Sport is a dominant feature of American society (Markovits & Hellerman, 2001). The popularity of the big four American sports together with the passion for NCAA Division 1 college athletics reveals much about the distinctiveness of the U.S. sport-society relationship. This distinctiveness is also evident in the U.S. government – sport relationship. Unlike most industrialised economies, the U.S. has no government-led national sport system. There is no single government department with responsibility for sport, no sport minister, and no government-led manifestation of what the structure and provision of school, community or elite sport should look like (Sparvero, Chalip & Green, 2008). In some respects, this is a consequence of a free-market ideology and a belief that government have no business interfering with public goods such as sport. In other respects, the federal system reveals a more complex pattern of government involvement in sport where the U.S. Congress have demonstrated an increasingly keen eye for oversight and where the states, counties, cities, and school districts may be more or less progressive in their policies and structures for school and community sport (Harris & Jedlicka, 2021).

While U.S. sport may be said to be lacking in central governmental coordination, it is possible to consider the organisation of the sport by sub-sector, specifically the core purpose and interests that distinct collectives of organisations have in regards to sport. Such a viewpoint offers conceptual coherence, illuminating the structural arrangements for the major stakeholders that make-up the U.S. sports system across community sport, interscholastic and collegiate athletics, professional sport, and Olympic and Paralympic sport.

Community sport involves recreational and grassroots sport including youth and adult programmes and focuses on both the development of sport (sporting outcomes) and development through sport (social outcomes). The main deliverers of community sport can be categorised into four groups of organisations: Local government, national youth organisations (e.g. YMCA, YWCA, Boys and Girls Clubs), sport-specific associations, private clubs, and not-for-profit organisations.

In contrast to the place of voluntary sports clubs in the European model of sport, the education sector is the bedrock of the U.S. sports system. School sports programmes include both intra-mural opportunities (within the school) and highly competitive interscholastic

competition (between schools). Every public school within the U.S. falls within the administrative jurisdiction of a school district and each school district is part of the state school sports associations. The state school sports (or activities) association coordinates school sport across the state, including the selection of sanctioned sports, the criteria underpinning the classification system for team sports and individual sports, overseeing leagues and other competitions, and creating policies to support the ongoing development of school-based sport (NFHS, 2020). Each state association forms part of the overall national governing body for school sport, the National Federation of High Schools.

Following high school, the dominant system of collegiate athletics is governed by the National Collegiate Athletics Association's (NCAA) divisions. Here, over 1,100 college and university members compete in a wide range of sports across three Divisions (NCAA, 2020). Each division maintains its own eligibility criteria and membership requirements and is made up of several conferences in which colleges and universities compete usually to make the conference play-offs and, beyond this, the NCAA tournament for each sport. Division I colleges have the largest athletic departments, offer the most comprehensive athletic scholarships, and provide an important developmental pipeline for Olympic, Paralympic, and professional sport.

Professional sport in the U.S. is dominated by baseball (MLB), basketball (NBA), football (NFL), and ice hockey (NHL). These sports are governed closed leagues, with no pyramidal system of promotion and relegation, and with the league consisting of independently owned teams distributed across the larger population markets across the U.S and Canada. While it is increasingly common for leagues and teams to invest in socially oriented programmes (NFL Play 60, NBA Cares, MLB Reviving Baseball in Inner Cities), the ultimate purpose of the teams and leagues is to pursue the interests and exceed the goals of their owners.

In more direct relevance to the NSGO, the U.S. Olympic and Paralympic system mirrors the international and Olympic sport landscape. It is primarily responsible for meeting the requirements of the Amateur Sport Act and, on a more practical level, for developing and selecting athletes for Team USA to compete in international competitions including the Pan American (Pan Am) Games, World Championships and the various Olympic and Paralympic Games. The USOPC plays a pivotal role in governing sport in the U.S. as it is wholly independent of any direct federal government or quasi-governmental involvement. The USOPC is also distinctive insofar as it represents both Olympic and Paralympic athletes and is one of the first NOCs to include both names in its organisational title. The USOPC works with a total of 45 NGBs of Olympic sports (37 summer and 8 winter sports) together with five NGBs of sport for the Pan Am Games. The development of Paralympic sports has historically been subject to coordinated, sport-specific arrangements between the NGB and USOPC, primarily driven by financial and practical resource constraints. While an increasing number of NGBs have taken on the management of parasport, structural arrangements remain inconsistent with a total of six sports being managed by the USOPC, five sports being managed by specific high-performance management organisations, and the remaining 16 sports being managed by NGBs.

## Sports policies and regulations

At the national level, there are four core pieces of legislation that regulate U.S. sport in various ways. The first policy area relates to Title IX of the Education Amendments Act, 1972 (Public Law 92-318). Title IX states that:

No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance (Education Amendments Act, 1972, n.p.)

The law applies to the schools, public and private, as the majority access federal financial aid programs. The legislation extends to sport in both school and college settings as sports are considered educational programmes and activities. Title IX holds three specific provisions for sport: (i) that women and men be provided with equitable opportunities to participate in sport, that male and female student-athletes receive scholarship dollars that are proportional to their participation, and that there is equal treatment regarding facilities, equipment, scheduling, travel, tutoring, coaching, medical support, housing, publicity, and recruitment of student-athletes.

The second piece of legislation is the Ted Stevens Amateur Sport Act (1978) (Public Law 96-606) which was revised in 1996 (Public Law 105-227). The ASA sets out the overarching roles and responsibilities of Olympic and Paralympic sports organisations in the U.S. In particular, the revised Act focuses on the shift in Olympic sport from amateurism to professionalism, the inclusion of the Paralympics, and the addition of further protections for athletes including the requirement for the USOPC to establish an Athlete Advisory Council, employ an athlete ombudsman to advise athletes on their rights, and to ensure that the athletes make up at least 20% of the board representatives of the USOPC and NGBs (Ted Stevens Olympic and Amateur Sport Act, 1996; Koller, 2018). The Act establishes 14 different responsibilities for the USOPC, with the majority of these focused on cooperation with the international Olympic and Paralympic systems or the promotion of amateur sport across the U.S. The Amateur Sports Act (ASA) emphasises the USOPC's role in coordinating and developing grassroots as well as performance sport, promoting physical fitness and participation in athletic programmes, and promoting the swift resolution of conflicts and disputes among organisations and athletes in U.S. Olympic and Paralympic sport (Nafziger, 1983). Additionally, the Act requires that the USOPC achieves these goals through self-financing with no direct funding provided by the federal government. In place of federal funding, Congress granted the USOPC the exclusive rights to the usage of all marks and wording associated with the Olympics within the U.S., an arrangement which has been a longstanding source of tension between the USOPC, the IOC, and other NOCs (Elcombe & Wenn, 2011; Pound, 2004). The ASA also authorises the USOPC to certify (and decertify) NGBs of sport and provides a detailed explanation of the roles and responsibilities of NGBs. Chief among these responsibilities is the development and selection of sport-specific athletes to form Team USA for international sports events (Nafziger, 1983). In addition, the Act requires NGBs to represent the U.S. with the relevant IF, to coordinate national competitions and sanction international events, to coordinate the sport nationally and develop interest

and participation in their sport, to involve athletes' views in policy decisions, and to keep athletes informed of policy developments (Koller, 2018).

The third piece of legislation was driven by the multiple cases of sexual abuse in U.S. gymnastics, taekwondo, and swimming. In 2018, the U.S. Congress passed the Protecting Young Victims from Sexual Abuse and Safe Sport Authorisation Act (Public Law 115-126). This legislation – set in place alongside the creation of the U.S. Center for SafeSport – aims to prevent the sexual abuse of minors and athletes. The Act requires that all cases of sexual abuse be reported; that the Center for SafeSport investigates all cases of sexual abuse in Olympic sport and develops appropriate practices, policies, and procedures to prevent abuse in sport; and that NGBs implement SafeSport policies and practices to prevent abuse in sport (Koller, 2018).

The final core policy area is a further legislative provision that adds congressional oversight powers to the Ted Stevens Amateur Sport Act and provides resources to implement and enforce the SafeSport Act. The Act, cited as the Empowering Olympic, Paralympic, and Amateur Athletes Act of 2020 (Public Law 116-189), was passed following numerous congressional hearings. The Congress concluded that U.S. Olympic sport agencies had failed to uphold their statutory purposes and duty to protect athletes, and that the USOPC and USA Gymnastics knowingly concealed the abuse of young athletes. Consequently, the Empowering Olympic, Paralympic, and Amateur Athletes Act intensifies provisions aimed at protecting athletes including the development of a new State of the U.S. Olympics and Paralympics Commission and the requirement for the USOPC to allocate \$20 million of its own budget annually to the U.S. Center for SafeSport. Additionally, potentially more controversial provisions grant Congress the power to remove members of the USOPC board of directors and decertify NGBs. These provisions, if acted upon, could result in the IOC suspending the USOPC on the basis of U.S. government interference in Olympic sport.

Alongside these key policies, there are other notable policies that influence U.S. sport. For example, professional sport and collegiate athletics benefit from anti-trust exemption to the provisions of the Sherman Anti-Trust Act, 1890. More recently, the Rodchenkov Anti-Doping Act, 2019 (Public Law 116-206) has been passed. This act grants U.S. authorities power to impose criminal sanctions on certain persons involved in international doping fraud conspiracies, provides restitution for victims of such conspiracies, and requires the sharing of information with the United States Anti-Doping Agency to assist its fight against doping, and for other purposes (Rodchenkov Anti-Doping Act, 2019, p.1). In addition to these laws, it is important to make clear that a number of laws and policies with direct implications for sport are passed at the state level. Presently, there are a number of notable state-level cases involving both the passing of legislation regarding compensation for name, image and likeness in collegiate athletics and the creation of state legislation or of high school sport association policies that regulate on the issue of sport participation by transgender athletes. These issues represent highly politicised issues that are likely to receive greater federal attention over the coming months and years.

## Methods

Consistent with the overarching NSGO methodology, the sample included the following five NGBs: USA Track and Field (athletics), U.S. Soccer Federation (football), USA Team Handball, USA Swimming, US Tennis Association together with the addition of USA Weightlifting. The addition of weightlifting enabled researchers to create a stratified sample involving two small, two medium, and two large NGBs (size determined by FTEs) (see table 3).

The standardised NSGO data gathering process was used for this data collection in line with the following phases.

Phase 1: Selecting and contacting, early January 2019

Phase 2: Data gathering and first preliminary scoring, mid-January to mid-May 2019

Phase 3: Feedback, late May to late July 2019

Phase 4: Second preliminary scoring, completed by end of August 2019

Phase 5: Final feedback, end of September 2019

Phase 6: Final scoring, early October 2019

Phase 1 of the research process started in early January 2019 with phone calls and emails to NGBs to inform them about the study. Following this, the data gathering process started in mid-January with the preliminary scoring being completed by mid-May. To support this process, the NSGO indicators and standardised scoring sheets were used to assess NGBs based on the publicly available information. Where information was unclear or unavailable, bullet-pointed notes were taken. All data and notes were gathered, and initial scoring completed and shared with NGBs in mid-May. Phase 3 commenced in late May and was concluded at the end of July. During this phase, initial scoresheets and notes were shared with all NGBs via email. Following the email correspondence, feedback from NGBs was either shared via virtual meetings or provided via email correspondence, as highlighted in table 3.

**Table 3: NGBs by employees and key contact**

NGB	FTEs	Main contact	Phase – Feedback mechanism	Response of NGB
USA Team Handball	4	Chief Executive Officer	Phase 3 – No response Phase 5 – email	Limited engagement, no capacity
USA Weightlifting	18	Chief Executive Officer	Phase 3 – Meeting/email Phase 5 – email	High cooperation, limited capacity
USA Track & Field	96	Chief Operating Officer	Phase 3 - email Phase 5 - email	Moderate cooperation, high capacity
USA Swimming	97	Chief Operating Officer	Phase 3 – Meeting/email Phase 5 - email	High cooperation, high capacity, motivated to finish top
US Tennis Association	869	Chief Executive Office	Phase 3 – no response Phase 5 – no response	No cooperation
US Soccer Federation	1,487	Chief Legal Counsel	Phase 3 – Meeting/email Phase 5 - email	High cooperation, high capacity

All NGBs provided feedback except for the US Tennis Association. The feedback from NGBs varied substantially with written documentation ranging from a few sentences to over 10-pages in length. Where meetings were organised to discuss feedback, the duration of meetings varied from a 20-minute phone call to a 2 hour and 30-minute face-to-face meeting. In some cases, the initial feedback from NGBs related to a specific note and provided further clarification to help the researcher score the indicator accurately. More commonly, the feedback queried a particular score and provided additional evidence to justify why the score for certain indicators should be elevated. Scores were changed, as appropriate, when sufficient evidence was provided to show that the requirements of the indicator were met. The phase 4 second stage preliminary scoring exercise was completed by the end of August and was emailed to all six NGBs. Final feedback was provided via email at the request of five of six NGBs. As expected, the final feedback addressed a smaller number of issues and a narrower range of indicators than was the case in the phase 3 feedback. There were a limited number of disagreements between the researcher and the NGBs on scoring and evidence. However, where differences could not be resolved or the NGB was unable to provide additional evidence to substantiate why a score should be changed, the researcher maintained the original score. The feedback on the final scores was received from all responding NGBs by the end of September. The final scoring was completed, and the project concluded in early October 2019.

## Results

The average NSGO index score for U.S. NGBs is 53%, which is considered ‘moderate’ based on the NSGO scoring system. The highest average score was attained by the internal accountability and control dimension with an average score of 59%, followed closely by transparency at 58%, and democratic processes at 57%. These average scores are all classified as ‘moderate’ by the NSGO scoring system. The lowest average percentage score was attributed to the societal responsibility dimension with a percentage score of 37% (‘weak’). The following summary serves to address the traffic light matrix presented in table 1 and highlight the aggregate score across the six NGBs on each of the 46 principles.

### Dimension 1: Transparency

The average score for transparency across the six NGBs in the U.S. was 58% rated as ‘moderate’ by the NSGO scoring system. The range of scores represented a distribution with 81% at the high end (USA Swimming) down to 25% at the low end (US Tennis Association). The average scores for transparency by size of NGB varied significantly with small NGBs scoring 53%, medium NGBs scoring 72% and large NGBs scoring 73%<sup>61</sup>.

Across the seven principles that make up the transparency dimension, the majority of the six NGBs were rated ‘very good’ in the principles relating to legal and policy documents (principle 1) and board decisions (principle 3), indicating that the majority of NGBs performed well in making key documents and decisions accessible for the public to access. The findings for the principles relating to the general assembly (principle 2) and annual reports (principle 6) indicated weaker results, but these findings can be explained by the national level context relating to the laws and norms of governance practices as discussed below. Similarly, the findings for remuneration (principle 7) indicate some level of inconsistency. While all NGBs are required to report remuneration in the IRS 990 return, these reports only relate to certain individuals and do not extend to the range or level of detail specified in principle 7. Further, there is clearly some scope for further examination and improvement of principle 4 information concerning board members and principle 5 providing information on affiliated clubs and athlete numbers.

### Dimension 2: Democratic processes

The average score for democratic processes across the organisations involved in the U.S. study was 57% rated as ‘moderate’ by the NSGO scoring system. The average scores ranged from 70% at the high end (USA Swimming) down to 31% at the low end (US Tennis Association). The average scores for democratic processes by size of NGB varied with small NGBs scoring 55%, medium NGBs scoring 69% and large NGBs scoring 66%.

Across the thirteen principles that make up the democratic processes dimension, almost all NGBs were rated as ‘good’ or ‘very good’ in the principles relating to board elections (principle 8), board policies (principle 9), nomination committees (principle 10), term limits

---

<sup>61</sup> We excluded the USTA from all averages of large NGBs as the USTA did not engage in the study. This adversely affected their final scores. Their inclusion with other large NGBs would dramatically decrease the average score for large NGBs.

(principle 12), member representation (principle 13), and regular board meetings (principle 14). Additionally, given the provisions of the Amateur Sport Act, it is of no surprise that NGBs are rated 'very good' in regard to athlete participation (principle 15). The results clearly demonstrate a 'moderate' score for principles relating to quorum (principle 11) as well as referee, coach and volunteer participation (principles 16, 17 and 18). Further, the data show that the majority of NGBs score 'not fulfilled' or 'weak' against principles relating to employee participation (principle 19) and gender equity policy (principle 20).

### Dimension 3: Internal accountability and control

The third dimension relating to internal accountability and control scored the highest average score of the four dimensions for the U.S. at 59%, rated as 'moderate' by the NSGO scoring system. The average scores ranged from 73% at the high end (US Soccer Federation) down to 27% at the low end (US Tennis Association). The average scores for internal accountability and control by size of NGB varied with small NGBs scoring an average of 64%, medium NGBs scoring 64% and large NGBs scoring 73%.

Across the fourteen principles that make up the internal accountability and control dimension, almost all NGBs were rated as 'good' or 'very good' in principles on board resignation procedures (principle 22), governance structure (principle 24), financial controls (principle 27), external audit (principle 29), conflict of interest procedures (principle 31), and appeals procedure (principle 33). The majority of NGBs did score 'not fulfilled' on the supervision of the board (principle 21) and 'weak' on the board meeting schedule (principle 34). In the principles relating to eligibility rules (principle 23), supervision of management (principle 25), audit committee (principle 26), board self-evaluation (principle 28), code of conduct (principle 30), and complaint procedure (principle 32) the six NGBs received a variety of scores ranging from not 'fulfilled' to 'very good' resulting in an overall average grade of 'moderate'.

### Dimension 4: Societal responsibility

The U.S. NGBs scored substantially lower on the societal responsibility dimension than any of the other three dimensions with an average score of 36%, rated as 'weak' by the NSGO scoring system. The average scores ranged from 39% at the high end (USA Swimming) down to 27% at the low end (USA Team Handball). The average scores for societal responsibility by size of NGB varied with small NGBs scoring an average of 31%, medium NGBs scoring 44% and large NGBs scoring 35%.

The societal responsibility dimension includes a total of twelve principles. The majority of NGBs scored 'very good' or 'good' on the two principles combating sexual harassment (principle 37) and anti-doping (principle 38). In contrast, the majority of NGBs scored 'not fulfilled' or 'weak' on a total of six principles including mitigating health risks (principle 36), social inclusion (principle 39), gender equality (principle 41), anti-match fixing (principle 42), environmental sustainability (principle 43), dual careers (principle 44), and athlete rights (principle 46). An average score of 'moderate' was awarded for governance consulting (principle 35), anti-discrimination (principle 40), and sport for all (principle 45). The

pattern of scores for governance consulting and athlete rights varied from 'not fulfilled' to 'very good' whereas for anti-discrimination the majority of NGBs received a 'moderate' score.

## Discussion and policy implications

While the NSGO undoubtedly provided a useful starting point to facilitate discussions with NGBs and the USOPC on good governance, the practical application of the framework to the U.S. context is problematic. The major challenge here relates to the number of indicators in the NSGO that were inappropriate or irrelevant to the U.S. context. This problem did not relate to single items but to entire sets of indicators relating to issues such as annual reports, multi-annual policy plans, general assembly, sports for all, which are neither applied nor understood across the majority of NGBs involved in the project. These issues have been detailed more fully elsewhere (see, Pielke et al., 2019; Dowling & Harris, 2021). In short, the NSGO leans heavily toward European norms and does not do an adequate job of addressing different contexts such as the U.S.

Another major challenge relates to the NGBs' ability and willingness to engage in the research process. Those NGBs that committed considerable time to the research were able to pull together various sources of evidence to demonstrate how they met the requirements of various indicators. However, other NGBs that did not have the capacity to engage in the research or did not want to allocate resources to the project did not have the same opportunity to provide evidence and subsequently scored significantly lower across the principles. The problem with this approach is that the end result does not solely reflect how NGBs perform against the set of 274 good governance indicators but also the extent to which an NGB is able and willing to commit resources to the research exercise. For example, USA Swimming received higher scores than the other five NGBs, but they also committed significant resources to the project. US Tennis decided not to take part in the research and USA Team Handball did not have the capacity to provide evidence and their scores were likely substantially lower than they would have been as a result (see table 3, above).

Transnationally, when compared with the nations taking part in the first phase NSGO project, the US score of 53% is higher than the average 47%, with a score higher than Brazil (32%), Cyprus (27%), Germany (37%), Montenegro (33%), Poland (30%), and Romania (44%). However, the U.S. score is lower than Flanders (54%), the Netherlands (60%), Denmark (65%), and Norway (70%). The higher-than-average score is most likely attributable to the requirements of the Internal Revenue Service, the compliance audit requirements of the USOPC and the NGBs increasing commitment to good governance principles such as transparency, accountability, and democracy. Conversely, the consistently poor scores on many of the indicators relating to societal responsibility likely had a significant effect on the overall average score. Here, principles such as sport for all and dual careers (an issue addressed at the USOPC rather than the NGB level) had a significant downward impact on scores, although NGBs will not likely view these issues as governance deficits or areas requiring improvement as they do not feature in the core work of U.S. NGBs. Nationally, reflecting on each dimension and the principles within them, it was not surprising that the U.S. performed consistently at the moderate level for transparency, democracy, and accountability. These scores would likely improve if the indicators for annual reports, multi-year policy, and general assembly were developed in terms of their construct

equivalence for the U.S. context. That said, the NSGO framework clearly identifies some important governance deficits in areas such as key stakeholder participation (coach, referee, volunteer), employee engagement, and the supervision of the board. Interestingly, given the commitment in the education sector to Title IX, gender equality also appears to be a governance issue requiring attention. In the societal responsibility dimension, there is clearly room for improvement in NGBs' approach to mitigating health risks, promoting social inclusion, addressing gender equality, and in their anti-match fixing efforts. Many of these issues are growing in national prominence and in the concern for more diverse, equitable, and inclusive work environments.

The U.S. NSGO data also reveals some key governance strengths in areas such as legal/policy documents; the decisions, elections, and procedures of the board; nominations committee; regular board meetings; clear governance structures; appeals procedures and combating harassment. A number of these issues are an embedded part of the reporting requirements of the Internal Revenue Service and/or the audit and compliance requirements of the NGBs' primary funder, the USOC. Additionally, these last two issues (appeals and combating sexual harassment) reflect provisions in the Amateur Sport Act and the SafeSport Act, respectively.

Nationally, when comparing NGBs, there is clearly an important relationship in terms of the size of an NGB (by full time equivalent employees) and their good governance scores. This could be a result of larger organisations having greater capacity to address good governance. Indeed, the experience of managing this research project suggest that it likely has as much, if not more, to do with the amount of time that professionals have to collate evidence to show how they meet the requirements of certain indicators.

While the practical problems and limitations of applying the NSGO have been discussed, it is also important to make clear that the purpose of the exercise has positively influenced discussions about good governance of NGBs in the US context. While the majority of the NGBs involved in the research were not satisfied that the indicator set were fit for purpose for the U.S. context, the majority did respect the purpose of the exercise and the importance of measuring and working to improve good governance. Furthermore, the USOPC's work in developing the NGB compliance standards represents an interesting and progressive development. These standards together with the legislative provision for greater Congressional oversight will help to improve NGB governance. Further – given the experience of the first two decades of the 21<sup>st</sup> century – we must continue to examine the governance principles and practices of NGBs of sport, for they are far too important to ignore. However, it is the NGBs themselves that will be the key catalyst for change. In this respect, good governance should not solely be about the extent to which NGBs comply with USOPC or Congressional requirements but more a reflection of the extent to which they have a vision, a long-term plan, and an organisation-wide commitment to implement ongoing improvements in their governance, above and beyond the expectations of significant others.

## References

- Brier, B., Thompson, A., Buchalter Adler, B., Delany, S., Goldberg, F., & Rauschenberg, M. (2008). *The appropriate role of the Internal Revenue Service with respect to tax-exempt organisation good governance issues*. Advisory Committee on Tax Exempt and Government Entities.
- Colon, D. (2005). The Foreign Bank Exemption to the Sarbanes-Oxley Prohibition on Loans to Directors and Officers. *Journal of International Business and Law*, 4(1), article 7.
- Dowling, M. & Harris, S. (2021). Apples and oranges? Establishing equivalence in comparative sport policy research. *International Journal of Sport Policy and Politics*, online ahead of print.
- Elcombe, T. & Wenn, S. (2011). A path to peace: Thoughts on Olympic revenue and the IOC/USOC divide. *Kinesiology and Physical Education Faculty Publications*, 14.
- Harris, S. & Jedlicka, S. (2021). The Governance of Sport in the USA, in Pitt, B.G. & Zhang, J.J. (eds.), *Sport Business in the United States*. Routledge.
- Koller, D.L. (2018). A Twenty-First-Century Olympic and Amateur Sport Act. *Vanderbilt Journal of Entertainment & Technology Law*, 20(4).
- Markovits, A.S. & Hellerman, S.L. (2001). *Offside: soccer and American exceptionalism in sport*. Princeton University Press.
- Nafziger, J. A. (1983). The amateur sports act of 1978. *BYU Law Review*, 47–99. <https://digitalcommons.law.byu.edu/lawreview/vol1983/iss1/9/>
- NFHS. (2020). Mission statement. <https://www.nfhs.org/who-we-are/missionstatement>
- Pielke, R., Harris, S., Adler, J., Sutherland, S., Houser, R., & McCabe, J. (2020). An evaluation of good governance in US Olympic sport National Governing Bodies, *European Sport Management Quarterly*, 20:4, 480-499.
- Pound, D. (2004). *Inside the Olympics*. Wiley.
- Sparvero, E. Chalip, L. & Green, B.C. (2008). The United States of America. In B. Houlihan and M. Green (eds.), *Comparative elite sport development*. Butterworth-Heinemann.
- USOPC (2021). *NGB Compliance Standards*. USOPC.

# APPENDICES

# Appendix 1: Average scores of all 25 NSGO countries

Table 1a: The average scores of the surveyed countries (2021) on the 46 NSGO principles

Principle	BIH	BG	CA	CO	GE	ISL	IND	IDN	LTU	PRT	SRB	SV	ESP	UK	US	Avg
Transparency	1. Legal and policy documents	Yellow	Green	Green	Green	Yellow	Green									
	2. General assembly	Yellow	Green	Orange	Green	Yellow	Green	Yellow	Red	Green	Green	Green	Orange	Yellow	Yellow	Green
	3. Board decisions	Yellow	Orange	Red	Orange	Orange	Green	Red	Red	Green	Red	Green	Yellow	Yellow	Green	Yellow
	4. Board members	Orange	Yellow	Yellow	Yellow	Red	Yellow	Orange	Orange	Red	Orange	Yellow	Orange	Green	Yellow	Yellow
	5. Athletes and clubs	Orange	Yellow	Green	Yellow	Orange	Green	Green	Orange	Green	Green	Green	Yellow	Green	Yellow	Yellow
	6. Annual report	Green	Yellow	Yellow	Yellow	Red	Green	Yellow	Red	Yellow	Yellow	Green	Orange	Yellow	Orange	Orange
	7. Remuneration	Yellow	Orange	Red	Green	Red	Red	Red	Red	Orange	Orange	Yellow	Red	Yellow	Red	Yellow
Democratic processes	8. Elections of board members	Green	Green	Green	Green	Green	Green	Yellow	Yellow	Green	Green	Green	Green	Green	Green	
	9. Policy for differentiated board	Red	Yellow	Red	Yellow	Orange	Red	Red	Orange	Red	Red	Red	Red	Yellow	Red	
	10. Nomination committee	Green	Orange	Green	Red	Red	Yellow	Red	Red	Red	Yellow	Yellow	Orange	Yellow	Red	
	11. Quorums	Green	Green	Green	Green	Green	Red	Green	Green	Green	Orange	Green	Green	Green	Yellow	
	12. Term limits	Red	Red	Yellow	Yellow	Green	Orange	Green	Orange	Yellow	Yellow	Red	Red	Orange	Red	
	13. Member representation	Green														
	14. Regular board meetings	Green	Green	Yellow	Green	Yellow	Yellow	Orange	Yellow	Green	Yellow	Green	Green	Yellow	Yellow	
	15. Athletes' participation	Orange	Red	Orange	Orange	Red	Orange	Orange	Orange	Orange	Orange	Orange	Red	Yellow	Yellow	
	16. Referees' participation	Yellow	Green	Yellow	Yellow	Yellow	Orange	Red	Red	Green	Orange	Orange	Orange	Orange	Yellow	
	17. Coaches' participation	Yellow	Green	Red	Orange	Yellow	Yellow	Red	Red	Green	Orange	Green	Green	Yellow	Yellow	
Internal accountability and control	18. Volunteers' participation	Red	Yellow	Red	Red	Red	Red	Red	Red							
	19. Employees' participation	Yellow	Green	Red	Green	Green	Orange	Orange	Green	Yellow	Yellow	Yellow	Yellow	Red	Red	
	20. Gender equality policy	Red	Red	Yellow	Red	Red	Orange	Red	Red	Red	Red	Red	Red	Orange	Orange	
	21. Supervision of board	Yellow	Yellow	Orange	Yellow	Orange	Orange	Orange	Yellow	Green	Yellow	Green	Yellow	Orange	Red	
	22. Board resignation procedures	Green	Orange	Green	Orange	Orange	Yellow	Red	Green	Orange	Yellow	Green	Red	Orange	Green	
	23. Board eligibility rules	Orange	Red	Yellow	Orange	Orange	Yellow	Orange	Orange	Yellow	Green	Yellow	Orange	Orange	Yellow	
	24. Clear governance structure	Green	Green	Green	Green	Green	Yellow	Green	Yellow	Yellow	Green	Yellow	Green	Green	Green	
	25. Supervision of management	Green	Yellow	Yellow	Orange	Red	Red	Orange	Orange	Orange	Red	Green	Orange	Orange	Yellow	
	26. Audit committee	Green	Red	Green	Green	Red	Yellow	Yellow	Yellow	Green	Green	Green	Green	Yellow	Green	
	27. Financial controls	Green	Orange	Orange	Orange	Red	Yellow	Orange	Orange	Yellow	Red	Yellow	Yellow	Green	Red	
	28. Board self-evaluation	Green	Orange	Red	Orange	Red	Red	Red	Yellow	Red	Red	Green	Red	Orange	Red	
	29. External audit	Green	Green	Orange	Green	Red	Yellow	Green	Orange	Yellow	Yellow	Yellow	Yellow	Yellow	Orange	
	30. Code of conduct	Yellow	Orange	Yellow	Green	Red	Yellow	Red	Yellow	Green	Red	Green	Orange	Green	Orange	
Societal responsibility	31. Conflict of interest procedures	Orange	Orange	Green	Red	Red	Red	Red	Orange	Red	Yellow	Green	Red	Yellow	Red	
	32. Complaint procedure	Yellow	Orange	Green	Orange	Red	Red	Red	Orange	Orange	Green	Orange	Orange	Orange	Yellow	
	33. Appeal procedure	Green	Green	Yellow	Green	Red	Orange	Orange	Orange	Green	Green	Green	Yellow	Yellow	Green	
	34. Board meeting schedule	Green	Yellow	Orange	Yellow	Red	Red	Yellow	Yellow	Red	Red	Green	Red	Orange	Red	
	35. Governance consulting	Red	Orange	Yellow	Red	Orange	Red	Red	Red	Orange	Red	Red	Red	Yellow	Yellow	
	36. Mitigating health risks	Green	Orange	Yellow	Orange	Orange	Red	Red	Red	Orange	Orange	Green	Orange	Yellow	Orange	
	37. Combating sexual harassment	Red	Red	Green	Orange	Red	Orange	Red	Red	Red	Red	Red	Orange	Green	Red	
	38. Anti-doping	Green	Green	Yellow	Yellow	Red	Orange	Green	Yellow	Yellow	Yellow	Green	Yellow	Green	Yellow	
	39. Social inclusion	Red	Red	Yellow	Orange	Red	Red	Red	Red	Orange	Orange	Yellow	Red	Orange	Orange	
	40. Anti-discrimination	Green	Red	Yellow	Orange	Red	Red	Red	Red	Orange	Orange	Green	Orange	Orange	Yellow	
	41. Gender equality	Red	Red	Orange	Orange	Red	Yellow	Red								
	42. Anti-matchfixing	Green	Red	Yellow	Orange	Green	Orange	Orange	Red							
	43. Environmental sustainability	Red														
	44. Dual careers	Red	Red	Red	Yellow	Red	Orange	Red								
45. Sport for all	Orange	Yellow	Yellow	Yellow	Yellow	Red	Red	Yellow	Orange	Green	Yellow	Yellow	Orange	Green		
46. Athletes' rights	Orange	Green	Red	Orange	Red	Yellow	Red	Red	Red	Orange	Yellow	Red	Orange	Orange		

**Table 1b: The average scores of the surveyed countries (2018) on the 46 NSGO principles**

Principle	BE (FL)	BR	CY	DE	DK	MNE	NL	NO	PL	RO	Avg
Transparency	1. Legal and policy documents	Green	Yellow	Orange	Green						
	2. General assembly	Green	Green	Orange	Yellow	Green	Green	Green	Yellow	Yellow	Green
	3. Board decisions	Green	Red	Orange	Red	Green	Green	Green	Orange	Orange	Yellow
	4. Board members	Yellow	Orange	Red	Yellow	Yellow	Orange	Yellow	Green	Orange	Yellow
	5. Athletes and clubs	Green	Green	Yellow	Green	Green	Green	Green	Green	Yellow	Green
	6. Annual report	Green	Orange	Orange	Orange	Green	Orange	Green	Green	Orange	Orange
	7. Remuneration	Orange	Red	Orange	Red	Green	Red	Orange	Green	Red	Orange
Democratic processes	8. Elections of board members	Green									
	9. Policy for differentiated board	Yellow	Red	Yellow	Red	Red	Red	Yellow	Yellow	Red	Orange
	10. Nomination committee	Orange	Red	Yellow	Red	Red	Red	Orange	Green	Red	Orange
	11. Quorums	Green	Red	Green	Orange	Orange	Green	Yellow	Green	Green	Yellow
	12. Term limits	Green	Yellow	Red	Red	Yellow	Red	Green	Orange	Red	Red
	13. Member representation	Green	Green	Green	Yellow	Green	Green	Green	Yellow	Green	Green
	14. Regular board meetings	Green	Red	Green	Green	Green	Yellow	Yellow	Green	Yellow	Green
	15. Athletes' participation	Red	Green	Red	Yellow	Yellow	Red	Green	Yellow	Red	Orange
	16. Referees' participation	Yellow	Yellow	Orange	Orange	Orange	Orange	Orange	Green	Yellow	Yellow
	17. Coaches' participation	Yellow	Orange	Red	Orange	Orange	Orange	Orange	Yellow	Yellow	Green
Internal accountability	18. Volunteers' participation	Yellow	Red	Red	Red	Green	Red	Orange	Green	Red	Red
	19. Employees' participation	Yellow	Yellow	Orange	Red	Green	Red	Green	Green	Red	Orange
	20. Gender equality policy	Red	Red	Red	Red	Orange	Red	Orange	Green	Red	Red
	21. Supervision of board	Green	Orange	Orange	Orange	Yellow	Orange	Green	Green	Orange	Green
	22. Board resignation procedures	Yellow	Orange	Orange	Orange	Orange	Red	Orange	Yellow	Green	Yellow
	23. Board eligibility rules	Green	Green	Orange	Orange	Green	Red	Yellow	Green	Orange	Yellow
	24. Clear governance structure	Green	Yellow	Green							
	25. Supervision of management	Orange	Orange	Orange	Orange	Yellow	Green	Green	Green	Orange	Yellow
	26. Audit committee	Yellow	Green	White	Yellow	Yellow	Green	Yellow	Green	Orange	Green
	27. Financial controls	Orange	Yellow	Yellow	Yellow	Green	Orange	Yellow	Green	Orange	Yellow
Societal responsibility	28. Board self-evaluation	Red	Red	Orange	Orange	Green	Orange	Green	Orange	Orange	
	29. External audit	Yellow	Green	Orange	Orange	Green	Green	Green	Yellow	Yellow	
	30. Code of conduct	Yellow	Yellow	Red	Green	Green	Red	Green	Green	Red	
	31. Conflict of interest procedures	Yellow	Red	Red	Red	Green	Red	Yellow	Green	Orange	
	32. Complaint procedure	Orange	Orange	Red	Yellow	Yellow	Yellow	Green	Green	Yellow	
	33. Appeal procedure	Yellow	Green	Red	Green	Green	Green	Green	Green	Green	
	34. Board meeting schedule	Green	Red	Red	Red	Green	Yellow	Green	Green	Red	
	35. Governance consulting	Green	Orange	Orange	Orange	Green	Red	Green	Green	Red	
	36. Mitigating health risks	Yellow	Red	Red	Red	Green	Yellow	Green	Green	Red	
	37. Combating sexual harassment	Yellow	Orange	Red	Orange	Green	Red	Green	Green	Red	
Societal responsibility	38. Anti-doping	Green	Yellow	Orange	Green	Green	Green	Green	Yellow	Green	
	39. Social inclusion	Yellow	Orange	Orange	Yellow	Green	Red	Green	Red	Orange	
	40. Anti-discrimination	Orange	Orange	Orange	Orange	Yellow	Red	Yellow	Green	Yellow	
	41. Gender equality	Red	Red	Red	Red	Yellow	Red	Orange	Green	Red	
	42. Anti-match-fixing	Orange	Red	Red	Red	Green	Red	Yellow	Green	Orange	
	43. Environmental sustainability	Red	Red	Red	Red	Yellow	Red	Orange	Yellow	Red	
	44. Dual careers	Yellow	Red	White	Red	Green	Red	Green	Green	Red	
	45. Sport for all	Green	Orange	Red	Yellow	Green	Red	Green	Green	Orange	
	46. Athletes' rights	Green	Orange	Red	Red	Orange	Green	Yellow	Green	Red	

## Appendix 2: Timeline and partners

The NSGO2 report is a continuation of almost ten years of continued research and debate in the following sports projects coordinated by Play the Game.

### 2012-13: Action for Good Governance in Sport (AGGIS)

The project aimed at creating a global index for good governance in sport, building on a thorough empirical analysis of the state of governance in a wide range of organisations. The project made a solid theoretical foundation for future efforts. It was co-financed by the European Union as a 'Preparatory Action' and by the partners:

- KU Leuven, Belgium
- IDHEAP (Swiss Graduate School of Public Administration), Lausanne, Switzerland
- Utrecht University, The Netherlands
- German Sport University Cologne, Germany
- University of Loughborough, UK
- European Journalism Centre, The Netherlands
- University of Ljubljana, Slovenia

### 2015: The Sports Governance Observer (SGO)

Based on the findings and theory development of AGGIS, Dr. Arnout Geeraert from KU Leuven authored the first Sports Governance Observer tool and applied it on 35 Olympic Federations in the first SGO report. This was done in cooperation with and financed by Play the Game.

### 2017-2018: National Sports Governance Observer (NSGO)

The NSGO further developed the methodology of the benchmarking tool. The project was supported by the Erasmus+ programme and coordinated by Play the Game with partnerships from academia and sports:

- German Sports University Cologne, Germany
- KU Leuven, Belgium
- Molde University College (MUC), Norway
- University Bucharest, Romania
- University of Warsaw, Poland
- Utrecht University, the Netherlands
- Cyprus Sport Organisation (CSO)
- Danish Football Association (DBU)
- Flemish Sports Confederation (VSF)
- International Council of Sport Science and Physical Education (ICSSPE)
- Norwegian Football Association (NFF)
- Polish Golf Union (PGU)
- Romanian Football Federation (FRF)
- Enlarged Partial Agreement on Sport (EPAS), Council of Europe

- European Association for Sports Management (EASM)

## 2018-2019: Sports Governance Observer (revised)

Based on the experiences from improving the NSGO tool, Dr. Arnout Geeraert was commissioned by Play the Game to develop a revised version of the SGO tool for benchmarking international federations. In 2018, Geeraert published a report on five international federations, and senior analyst, PhD Jens Alm from the Danish Institute for Sports Studies followed up with an additional benchmarking report for six federations in 2019.

## 2019-2021 National Anti-Doping Governance Observer (NADGO)

In cooperation with anti-doping organisations, athlete representatives, and academic partners, the NADGO tool was developed by dr. Arnout Geeraert in order to benchmark national anti-doping agencies. The project was supported by the Erasmus+-programme and coordinated by Play the Game. The following partners carried out the benchmarking and published a joint report in 2021.

- KU Leuven, Belgium
- The German Sport University Cologne, Germany
- The University of Warsaw, Poland
- European Elite Athletes Association (EU Athletes)
- Fair Sport, USA
- Institute of National Anti-Doping Organisations (iNADO)
- Anti Doping Denmark (ADD)
- Sport Ireland – Anti-Doping Unit
- National Anti-Doping Agency (NADA Germany)
- Polish Anti-Doping Agency (POLADA)
- Slovak Anti-Doping Agency (SADA)

## 2020-2023 Strengthening Athlete Power in Sport (SAPIS)

SAPIS aims to strengthen the influence and representation of athletes in the governance and management of the sports organisations they belong to. It is supported by the Erasmus+-programme, coordinated by Play the Game, and carried out in cooperation between\_

- Swansea University, Wales, UK
- Utrecht University, the Netherlands
- Pompeu Fabra University, Spain
- Ljubljana University, Slovenia
- European Elite Athletes Association
- Football Players Association of Finland
- The Dutch Olympic Committee\*Dutch Sports Federation



Play the Game