



EU Work Plan
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Expert Group on Good Governance

Guiding Principles relating to democracy, human rights and labour rights, in particular in the context of the awarding procedure of major sport events

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1. Introduction

In September 2013 the Expert Group "Good Governance" (XG GG) produced the "Principles of Good Governance in Sport". In accordance with the mandate deriving from the Council Resolution on the European Work Plan for Sport (2014-2017), a second Expert Group on Good Governance was established to consider four issues in more detail. One of these was: "Guiding principles relating to democracy, human rights and labour rights, in particular in the context of the awarding procedure of major sport events, possibly followed by a pledge board".

The XG GG began its work on 16 October 2014, and subsequent discussions were held on this deliverable on 5 March, 9 June and 10 November 2015.

During the first discussions, it became apparent that the issues of democracy, human rights and labour rights indeed should be reviewed and evaluated in direct connection with this awarding procedure, with the purpose to have these principles made part of the awarding contracts.

Furthermore, the XG is not in the position to discuss in general terms democracy, human and labour rights issues under the laws of sovereign states throughout the world. Such matters are the responsibility of the territories concerned although it is open to other governmental institutions to take steps outside of the sporting event context where such governmental institutions consider it appropriate to do so – for instance in relation to general trading minimum standards. Nevertheless, sports bodies should, of course, look to use their influence in relation to the staging of the event itself and related transactions/operations to promote human rights and labour rights.

The XG therefore would rather like, from the sport perspective, to propose guiding principles (and thus support sport organisations and public authorities dealing with sport) on how to adopt democratic procedures and how to include human rights and labour rights in governing sport activities, in particular in the organisation of major sport events.

The Expert Group also recognise that the work of another Expert Group on the Economic Dimension of Sport (XG ECO) was tasked, in parallel, with examining the question of the legacy of the major sport events. Although seemingly two separate issues, it became apparent that an overlap was inevitable. This was most apparent in the importance of building legacy already into the awarding procedure. The work of XG ECO has therefore been taken into consideration, where appropriate.

2. Description of the issue

Major sport events (MSEs) are events with high impact, both on a global scale and a continental/national/local scale and both within the relevant sports community and in the outside world, considering the societal, political and economic effects. With the growing mediatisation and commercialisation of sport, the impact of the award of such an event is increasingly significant, both in terms of potential for the host (both positive and negative) and public perception of the sport (again: both positive and negative), the governance etc.).

A number of award decisions made in the recent past for major sport events have been mired in controversy. In order to help to prevent isolation and/or neglect of human rights, labour standards and democratic safeguards directly in relation to the staging of a sporting event, and restore faith in the eyes of a sceptical public, the aim of these guiding principles is to address these issues and help ensure that decisions regarding the awarding of major sport events are free from such controversy (in the eyes of the public at large, competing bidders, sponsors, media, and so on) which was linked to recent decisions.

These principles are in no way intended to challenge or erode the autonomy of sports organizations. However, it has to be recognised that the autonomy of sports bodies is only justified as long as it is combined with taking due responsibilities especially in relation with good governance and in particular democracy, human rights and labour law in their interaction with the public domain (such as most bidding entities). Being operational in this public domain, the autonomous sport bodies should be denied to have (event) transactions with parties with public responsibilities - by those very public entities, if these sport bodies do not meet obligations pursuant to these responsibilities. As stated in the 2011 Communication of the European Commission, for example, autonomy has become more of a conditional feature. This is now widely acknowledged not only by proponents of good governance but also increasingly by the Sports Governing Bodies themselves, which is a very welcome development.

Although sport organisations, like the IOC and international federations, are formally not operating in the public (governmental) area, it is generally required that such organisations should operate while accepting a certain public accountability for its policies and the execution thereof. This is, increasingly, also the view of those organisations themselves. In this context it should be noted that, in many countries, engaging in sport (in particular high-performance sport) is possible only thanks to significant public funding.

The same is even truer for the parties to which MSEs are awarded, the host countries or host cities¹. They are most of the time public entities with corresponding public responsibilities, and therefore publically accountable, both during the bidding process and during the event itself (construction of sites, supply chain management, etc.), and thereafter (legacy, sustainability and accountability).

It should be noted (as already observed above) that the XG GG is well aware of the fact that the international bodies that do award mega sport events, like IOC and FIFA, are privately organized, and operating on a worldwide scale. This will evidently be reflected in the position that the EU and its functions can take in relation to this subject.

3. Major Sport Events (MSEs), a definition

What, more precisely, constitutes a major sporting event? It does not seem possible to draw a clear and undisputable line. Mega-events have been described as "ambulatory occasions of a fixed duration that attract a large number of visitors, have a large mediated reach, come with large costs and have large impacts on the built environment and the population". **(Müller, 2015)** In any case, there is broad consensus that inter-continental events like the Olympic and Paralympic Games (summer and winter), and football's World Cup, along with the European football Championships, can be considered truly mega events.

Major sport events are, however, more subjective, although a number of criteria can be established to help identify a major sport event. Such events can be said to be characterized by major technical and logistic challenges (the construction and development of venues, public transport infrastructure, safety and security, etc.), have a high media profile, welcome thousands of people including supporters, journalists, technical teams and officials, and are often organized over several consecutive days.²

Of course, relevant criteria could always be open to debate. It is not the task of the Expert Group to draw up a list of major sport events. However, the Expert Group does believe that irrespective of any definitional discussions, all significant sporting events which can relate to one or more of the above criteria (and especially where

¹ Sometimes, private entities like national federations are the recipients of the awarding, but then mostly backed by governmental institutions.

² Cf. Seminar on the environmental sustainability of major sport events organised by the French Sports Ministry (25/09/2014); Summary of discussions and recommendations for institutional sport and sports movement stakeholders. This definition is shared with XG ECO.

public interest is high) should at the very least aspire to comply with the guidelines outlined in this document.

This also relates to the original EU principles of good governance in sport in relation to democracy and minimum standards, where the concluding paragraph provided as follows: “The above checks and balances and procedural safeguards may need to be reinforced and/or supplemented for major decisions of a sporting, financial or commercial nature. For instance the awarding of major events hosting rights and changes to fundamental governance structures may be regarded as so significant in terms of the wider consequences and direction of a sport that a higher level of accountability and transparency is justified.”³

4. Sources to be used; existing best practises

The members of XX GG, and the observers in the respective meetings, have presented a variety of documents, illustrating that the subject of this document is attracting attention from a broad range of interested parties, both from within the sports community and outside this community. Reference is made to Annex I of this document, and also to the reports of the meetings, including the summing up of the observers who attended.

It is appropriate to underline that most prominent international sports bodies, like the IOC and FIFA, have already put in place quite elaborate regulatory systems dealing with the principles addressed in this document.⁴ In this context, it must be noted that evidently the recommendations in this document also serve to have these well identified, categorized and qualified as generally accepted, basic and unalienable principles, with all due respect for existing regulations and practices.

At the same time, practical implementation shows that gaps often exist and that one can have doubts about the proper implementation of well-regulated principles; the issue of compliance is therefore a critical issue in itself.

³ http://ec.europa.eu/sport/library/documents/expert-groups/governance_en.pdf

⁴ See, for instance

IOC - Olympic Charter; Agenda 2020; Host City Contracts for the Rio and Beijing Games; Report of the 2022 evaluation commission.

FIFA - <http://fifa.pressfire.net/newsletter/newsletter?id=3358&html=1>

FIFA, decision Executive Committee (July 2015) to adhere to the UN Guiding Principles on Business and human rights.

5. Domains: the awarding entity and the bidding entity

The first domain to be reviewed is the governance of the awarding process by international sport organisations related to their internal regulatory system in connection with the awarding procedure. This "governance" should incorporate a transparent and fair bidding procedure, and include in any case the following elements:

- having or adopting transparent and fair regulations for the awarding of events, including objective, exhaustive and unambiguous awarding criteria and for the internal decision making (just a board decision, or always a general assembly decision);
- regulations for accountability, both internally and vis-a-vis third interested parties, should be put in place.

In this domain, only the role of the awarding entity is to be considered.

The second domain is the regulation and execution of the awarding procedure as such, especially related to democracy, human rights and labour law. In this domain, it is about identifying whether guiding principles (and, if so, which ones) of good governance (prerequisites as to democracy, human rights and labour law) can be laid down in the regulatory system of the awarding entity, to which the host country/city must in any case commit itself, from the very start of its participation in the bidding procedure until the termination of the event and thereafter, especially concerning legacy and sustainability, but also the issues of human rights and labour law.

This would include directives, addressed to (candidate) hosts for how to organize its preparation/participation of/in the bidding procedure. In this domain, the roles of both the awarding entity and the bidding entities (hosts) are to be considered.

6. Recommended elements for the awarding entity

The awarding sports organisation should develop a detailed regulatory system, governing the process that eventually results in the awarding of a MSE (mostly a bidding process). This regulatory system needs to be put in place well in time to enable bidding candidates to undertake actions timely and on a properly informed basis; for the same reason these regulations should be fully transparent to the outside world. By this, conditions for proper (internal and external) accountability should also be given.

These regulations should include a clear - and binding - summing-up of (minimum) awarding criteria (timely established, and objective).⁵

The awarding of a MSE is one of the core responsibilities of an international sports organisation. In order to reduce the risk of corruption and enhance the transparency of the decision-making process, the final decision should therefore be entrusted to the highest function of such an organisation, mostly the general assembly. It should be safeguarded and monitored, as far as possible, that all persons involved are acting on a neutral and impartial basis (i.e. not having any conflicting interest), well informed and with utmost integrity.

The costs associated with the participation in bidding procedures should not be prevent any serious contender from submitting a bid. A cost-benefit analysis should be carried out in advance of bidding for a major sport event. More detailed proposals and guidelines concerning costs are included in the report of the XG ECO on the legacy of MSEs. The XG GG also believes a "cap" to maximize costs (contributing to fair competition in the bidding process) could be considered in some cases.

Some sport federations may find it difficult to find a suitable host for their major event. In such cases, "appointing" a host without a bidding procedure could be acceptable, provided that it also follows a democratic and transparent procedure, and stipulates the basic principles of human rights and labour conditions.

Considering the substantial interest of third parties in the outcome of the awarding procedure, it would certainly add to the credibility of the awarding organisation to accept external and independent reporting of the process.

Various international organizations/bodies/NGOs have already addressed the social responsibility of private institutions (particularly businesses) to protect human and labour rights, and they have drawn up key documents/guiding principles/standards on this issue (e.g. Guiding Principles on Business and Human rights, UN-Global Compact, ISO 26000). International sports organizations are not "businesses" in the narrower sense. But since their activities have a substantial economic impact in particular in connection with MSEs, they should nevertheless undertake to comply with such standards etc. and examine how they can help implement them. The international sports organizations should in particular oblige the hosts of MSEs in the hosting contract to respect the standards, and they should ensure compliance through a monitoring system (possibly together with relevant NGOs)

⁵ Possibly with the addition of a relative weight to be given to each of the criteria.

7. Recommended elements for the bidding entity

The bidding party will produce its bid by means of an open and transparent procedure, reporting which parties participate, by what sources the event will be financed, and which bodies have executive power in the bidding process (beneficial parties involved).

The timeline for hosting a major event has a fairly established sequence. It tends to begin with expressions of interest from potential bidding parties, move into a specific bidding procedure followed by the awarding decision. Event preparation follows thereafter up to the hosting the event itself and there then follows the implementation of a legacy programme. The 'core period' can be defined in terms of time as from the first day that accommodations are opens for the preparatory stay of athletes, staff officials and media until the departure of the same after the closing of the event.⁶

However, to this "core period" should be added a preceding period, starting as soon as the event contract becomes valid, and an after-event period during which the host is still bound to obligations related to legacy and sustainability, but also to respecting human rights and labour rights in the event-related aftermath. So, this extended period ("the entire life cycle") should be fully governed by the event contract; special attention should be given to the obligation of the contracting host entity to pass the accepted obligations on (especially) human rights and labour law on to its subcontractors (supply chain).

The territorial effect is to include all the venues, housing, media facilities, medical facilities and also the public areas of the host city visited by participants and visitors of the event. Also included are means of public transport, including airports, train stations, harbours etc.⁷

This description of the "event regime" in time and in territory is especially relevant for the limitations of the effect of certain conditions related to human rights and labour law to the event as such; there is no justification for stipulations that go beyond these limitations and outside the boundaries of this "event-regime". It would

⁶ This core period is preceded by a period in which the regime is already active on specific issues as the construction of venues and other facilities and the regulation of supply chains. The core period will also be followed by a period where conditions related to legacy, sustainability and accountability are also still in place.

⁷ The report recommends sport should use its influence within the sporting event regime as defined above to address human/labour rights and not be expected to change the legal system of certain territories in such matters beyond the boundaries of the sporting event regime. Not all MS representatives of the Expert Group agreed with this approach.

certainly be too far reaching to put forward as a condition that the legislative system (general codification) of a host country must be changed in order to "win" a bid. (An adverse legislative system could be a reason to not at all invite a host to participate in a bidding process). Therefore, all recommendations are only meant to be effective within this "event-regime".⁸

The bid must contain the explicit and unconditional acceptance of the requested elements as to democracy, human rights and labour law, and also to legacy, sustainability and accountability.

Democracy

As an obligation, accepted as part of being admitted to the bidding process, the bidding party should present a transparent and acceptable procedure related to its bidding (and commit itself to complying therewith), including the identity of officers/functions in the decision making process, the way of financing the bidding process and the possible conditions connected to financial support, the dependency from third parties in possible other ways.

Human rights

In the bid, and consequently in the Event Contract, the obligation to respect and promote the internationally recognized human rights (in line with the abovementioned international standards/guiding principles regarding the social responsibility of (private) organisations; see chapter 6) should be accepted explicitly and unconditionally:

Examples:

- freedom of expression and meeting;
- equal rights (non-discrimination) as to gender, race, religion, sexual orientation;
- property rights, with emphasis on housing rights (no disappropriation without proper compensation/alternative housing);
- prohibition of discriminatory activities (anti LBHT actions, anti-Semitic actions).

Labour rights / labour conditions

The obligation to respect and promote internationally recognized labour rights (in line with the abovementioned international standards/guiding principles regarding the social responsibility of (private) organizations; see chapter 6) should be accepted explicitly and unconditionally.

Examples:

- safe working conditions;
- fair pay;
- elimination of all forms of priced and compulsory labour;

⁸ Idem.

- effective abolition of child labour;
- elimination of discrimination in respect of employment and occupation;
- freedom of association and collective bargaining;
- fair compensation for housing and travel expenses;
- proper insurance, even if this is not an established practice in the relevant country.

Legacy / sustainability

It is important that the question of legacy of an MSE is built into the process and taken into consideration from the outset in order to ensure the after-event sustainability as far as possible (including the continued proper use of venues and other capital investments for the event). With that in mind, the work of the Expert Group 'Economic Dimension', and their recommendations for social, economic and environmental sustainability of major sport events should be referred to and taken into account.

In as far as possible, the hosting party should contractually undertake vis a vis the awarding party to have all relevant obligations made part of its (sub-) contracts with third parties, like building contractors, sponsors, providers of services, consumer goods etc. ("the supply chain").

8. Accountability / auditing

Compliance to the contracted obligations related to democracy, human rights and labour right is a proven source for concern. Before the event, during the event and after the event (that is, the period of the "regime"), the entity that has awarded, and entered into an Event Contract, is in a weak position to force the host entity to remedy breaches of such obligations. However, putting in place credible contingency arrangements in the event of serious breaches should not be overlooked as a way to encourage compliance.

Furthermore, awarding entities should consider stipulating that the bidding party/host entity must accept external (and by consequence: independent) and authoritative auditing on their compliance to the contracted obligations and a regulation of sanctions in the case of breach. It could at least be considered advantageous for a candidature if such a stipulation on independent auditing on compliance and sanctions in the case of proven breach would be accepted (following the example of London 2012).

9. Pledge board

The Council resolution setting out the work of the Expert Group also foresees the possibility of a 'pledge board' whereby parties would be invited to declare publicly their commitment to the principles outlined above. The concept will be elaborated and proposed to the Expert Group separately from this document.

10. Dissemination

The present recommendations will be presented to the Council Working Party on Sport under the Dutch Presidency of the Council of the EU.

The Commission will explore the possibility to disseminate the results through relevant channels at EU level. Member States representatives in the XG GG will liaise with their national ministries and other relevant ministries to disseminate the information at national level.

Annex 1: References

UN Universal Declaration on Human Rights

<http://www.un.org/en/documents/udhr/>

United Nations Guiding Principles on Business and Human Rights

http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

FAQs about the guiding principles on business and human rights

http://www.ohchr.org/Documents/Publications/FAQ_PrinciplesBusinessHR.pdf

International Labour Organization – Labour Standards

<http://www.ilo.org/global/standards/lang--en/index.htm>

Global Reporting Initiative (GRI)

<https://www.globalreporting.org/Pages/default.aspx>

UN-Global-Compact

<https://www.unglobalcompact.org/what-is-gc/mission/principles>

Children's Rights and Business Principles

http://www.unicef.org/indonesia/CHILD_RIGHTS_AND_BUSINESS_PRINCIPLES.pdf

Declaration of Berlin - MINEPS V

<http://unesdoc.unesco.org/images/0022/002211/221114e.pdf>

EU Principles of good governance in sport

http://ec.europa.eu/sport/library/policy_documents/xg-gg-201307-dlvrb12-sept2013.pdf

European Commission 2011 Communication:

COM (2011) 12, "Developing the European Dimension of Sport", 18-1-2011

ISO 26000 - Guidance on social responsibility

<http://www.iso.org/iso/home/standards/iso26000.htm>

Müller, Martin; "What makes an event a mega-event? Definitions and sizes"; Leisure Studies (2015)

Olympic Agenda 2020

http://www.olympic.org/Documents/Olympic_Agenda_2020/Olympic_Agenda_2020-20-20_Recommendations-ENG.pdf

Best practice examples:

Commonwealth Games

<http://www.glasgow2014.com/sites/default/files/documents/Glasgow%202014%20-%20approach%20to%20human%20rights%20-%20December%202013.pdf>

http://www.glasgow2014.com/sites/default/files/documents/G2014-Procurement-Sustainability-Policy-FINAL-V2-070213_0.pdf