

IPACS Task Force 2 Draft Executive Summary

Managing Conflicts of Interest relating to the Voting for
the Selection of Hosts for Major Sports Events

Executive summary

A key element for sustaining success of Major Sport Events (MSEs) is that the bidding and selection processes for such events are both free from corruption and are perceived to be conducted with integrity. The development and implementation of appropriate conflict-of-interest rules and procedures are essential for protecting the integrity and credibility of bidding, awarding and hosting processes for MSEs, with the ultimate aim of rebuilding public confidence in the integrity of sport.

With a view to ensuring integrity in the selection of major sporting events, with an initial focus on managing conflict of interest, the International Partnership Against Corruption in Sports (IPACS) created a dedicated Task Force (no. 2) with the objective of building on existing standards and expertise to encourage the implementation of conflict of interest mechanisms and facilitating a common understanding amongst sport organizers, governments, and international organizations alike on what the risks are and how to manage them. The first report of Task Force 2 considers conflicts of interest which may arise in International Sport Organisations (ISOs) when a vote takes place to award the hosting rights for an MSE, and proposes appropriate measures to manage them based on international standards and good practices.

The report took the form of a “stocktake” of the published practices and procedures which ISOs had in place at the time of the decision to award hosting rights for 18 MSEs. The MSEs which were analysed comprised a mix of events organised by a single sport ISO, such as World Championships in a particular sport, and multi-sport MSEs, such as global or continental Games supervised by a multi-sport MSE with the involvement of various single sport ISO. Using publicly-available information, the report analyses only one MSE per ISO, with the exception of FIFA and the IOC, for which two MSEs were included.

While recognising the importance of the role governments play in ensuring effective rules and mechanisms for mitigating the risks of conflicts of interest in selection process for MSEs, this report focuses specifically on ISOs practices and procedures. It identifies the key elements of conflict-of-interest situations within ISOs and the key risks impacting on the voting process. Building on that, the stocktake analysis identified the characteristics of the rules and procedures adopted by the ISOs for the allocation of MSEs hosting rights. From the findings of this analysis the Task Force identified policy options for ISOs to manage the specific risks regarding conflicts of interest in the voting process.

Proposed Recommendations

Based on the findings of the report, the following recommendations are proposed to strengthen ISOs’ procedures and practices for managing conflicts of interest relating to the voting for the selection of hosts for major sports events. These recommendations are made with the recognition that governments should also have effective rules and mechanisms in place to mitigate the risks of conflicts of interest in the selection process for MSEs:

1. ISOs should have a published a conflict-of-interest policy, which sets out its scope of application (e.g., to whom it applies) and the procedures that should be followed, including for the process of awarding an MSE, to manage conflicts of interest. The policy should include the different risks and examples of situations where conflicts of interest may arise.

2. The conflict-of-interest policy should cover the concepts of actual, potential and perceived/apparent conflicts and provides clear actions to be taken.
3. The policy should cover all types of relevant interests: financial, professional, political, business or personal/family interests, as well as provides clarity regarding nationality or institutional interest/loyalty.
4. The conflict-of-interest policy should clarify the difference between a conflict of interest and acceptable separate duties/loyalties in the event an individual sits in a representative capacity.
5. When persons are in a situation of a conflict of interest, they should not participate in the decision-making process, nor exercise or appear to exercise any influence in the process.
6. There should be a systematic and regular process for declaring interests, including on an ad-hoc basis whenever any change occurs to the nature and extent of those interests. A register should be kept and regularly updated by a designated person/body. When possible, consideration should be made to making the declarations available to the public. Persons subject to declaration duties should be informed of their obligations and of the person/body to whom they should submit their declarations.
7. There should be a standard agenda item for assessing conflicts of interest at meetings in the decision process.
8. There should be a person or body designated to provide advice, including confidential counselling, to persons confronted with conflicts of interest situations on what measures should be taken to mitigate them.
9. Information about the conflicts of interest rules should be published also in the MSE bid documentation.
10. Training and awareness raising programmes should be provided to individuals about conflicts of interest.
11. Sanctions should be in place for failure to declare conflicts of interest, or for failure to follow corresponding rules/advice.

Beyond the scope of this report, the Task Force began to identify some potential areas of future work to consider. They include, but are not limited to, the following ones:

- Procedures for voting for MSEs and assessment of risks linked to the voting process in ISOs when awarding an MSE in light of the policy options identified in the present report.
- Sport regulations that are relevant to ensure the integrity of the selection process for MSEs.
- The applicability of national laws and regulations on integrity in the bidding process for an MSE. This could build, as appropriate, upon the findings of the international anti-corruption monitoring bodies.

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