11

An Evaluation of the FIFA Governance Reform Process of 2011–2013

Roger Pielke, Jr.

Introduction

At the October 2013 Congress of the Fédération Internationale de Football Association (FIFA) in Mauritius, FIFA President Sepp Blatter declared that the governance reform process that he had initiated two years earlier had come to a close: 'We have been through a difficult time. It has been a test for football and those who lead it. As your captain, I can say we have weathered the storm' (Robinson, 2013). Blatter used the same nautical metaphor that he had upon launching the reform effort in May 2011: 'I am the captain, we will weather the storm together' (Pielke, 2013a).

The 'storm' that Blatter referred to involved an accumulation over the previous years of allegations of corruption and mismanagement at FIFA. The allegations which received the most attention involved the process used to select the 2018 and 2022 World Cup venues, chosen as Russia and Qatar respectively. In addition, the 2011 FIFA election, in which Blatter ultimately ran unopposed, was clouded by allegations of bribery and other shenanigans which ultimately led to the suspension of Mohammed bin Hammam, Blatter's chief rival for the presidency, and his ultimate departure from FIFA altogether.

Of course, allegations of shenanigans and intrigue at FIFA have a rich history. In 1983, upon learning that that the 1986 World Cup was assured to be awarded by FIFA to Mexico even before the process had been completed, Henry Kissinger is reported to have said: 'The politics of FIFA, they make me nostalgic for the Middle East' (Hughes, 2011). By 2011 the pressure on FIFA to respond in some manner to the mounting allegations became so great that the organization decided to embark upon institutional reform centered on the creation of what FIFA term an Independent Governance Committee (IGC).

In 2013, as the reform effort was concluding, Mark Pieth, a professor at the Basel Institute of Governance and the man hand-picked by Blatter to lead the FIFA IGC, said of the two-year effort: 'In a relatively short space of time, it's quite spectacular so far what has been achieved' (FIFA Congress, 2013). As we will see, Pieth was not always so charitable in his views of the reform process. Perhaps predictably, FIFA announced that the process had been a resounding success: 'the majority of the reform recommendations by the IGC were implemented' (FIFA, 2013).

Such laudatory comments about the FIFA reform effort are difficult to reconcile with the perspectives of other close observers. One member of the FIFA IGC, Alexandra Wrage, a governance expert and president of TRACE International, resigned from the committee just over a month before the 2013 FIFA Congress in Mauritius, explaining: 'It's been the least productive project I've ever been involved in. There's no doubt about that' (Panja, 2013). Following the Congress, Guido Tognoni, former FIFA Secretary General, told a Swiss television station: 'Mark Pieth has good intentions but to me he's like Sepp Blatter's poodle. He must bark loud but he's not allowed to bite. He had a promising approach but, of course, he's banging his head against a block of granite' (Bradley, 2013).

With such strongly voiced claims and counter-claims flying about, coloured by interests, agendas and personalities, it can be difficult to get a sense of what was actually accomplished in the FIFA reform process in terms of institutional reform towards good governance. In order to provide a somewhat more objective basis for evaluating the process, this chapter conducts a formal evaluation of the FIFA reform effort under its IGC from 2011 to 2013.

The evaluation concludes that while FIFA did make some progress toward improved governance, such progress was limited, leaving considerable further reform necessary to bring the organization up to the standards of good governance that are widely accepted in business, government and non-profit settings. The chapter concludes with recommendations for how a governance reform effort might continue in a positive direction.

A three-part evaluation of FIFA's reform effort

The logical structure of an evaluation necessitates three components (Larason-Schneider 1986). First, standards of success (or shortfall) are necessary as a basis for determining what goals are to be achieved in a decision process. Second, metrics with respect to the standards allow for

judgements of progress (or lack thereof) with respect to ultimate goals that are sought to be achieved. Third, data with respect to the metrics enable judgements of progress to be made empirically in a particular context. The next two sections provide an overview of the standards, metrics and data which comprise this evaluation of the FIFA reform effort.

Standard and metrics: four 'measuring sticks' of good governance reform in FIFA

To evaluate the FIFA reform effort I apply four 'measuring sticks' of good governance. The measuring sticks reflect the standards of success and metrics with respect to those standards. It is helpful, but not always necessary, that such metrics be quantitative in order to facilitate an analysis. Such standards should also reflect shared values so as to increase the breadth of relevance of the analysis.

In 2011 and 2012 three significant reports made recommendations to FIFA on how to improve its governance. These reports are complemented in this evaluation by a newly developed scorecard for evaluating international sports organizations.

The three reports are:

1. *Transparency International, Safe Hands: Building Integrity and Transparency at FIFA (Schenk, 2011)*

Transparency International (2013) is a Berlin-based non-profit organization which fights corruption worldwide. The organization focuses on many sectors of society and has given long-standing attention to corruption in sport, notably in football and cricket. The Safe Hands report was issued in 2011, as FIFA was organizing its reform effort. Upon releasing the report, TI's Sylvia Schenk explained:

> FIFA says it wants to reform, but successive bribery scandals have left public trust in it at an all-time low. Working with an oversight group – taking its advice, giving it access, letting it participate in investigations – will show whether there is going to be real change. The process has to start now. When an organization says it wants to change, TI stands ready to provide constructive advice. Now that we have laid out clear, straightforward steps, it's up to FIFA to prove its commitment to transparency and accountability. (Transparency International, 2011)

FIFA 'acknowledged' the report and suggested that it had already adopted some of its recommendations: 'FIFA is pleased to note that

several of the best practices and recommendations made by the TI report are already being implemented by FIFA, and that others have been approved by the 2011 FIFA Congress for their implementation in the coming months' (FIFA, 2011). As described below, the relationship between FIFA and TI would soon sour, ending in a decision to go their different ways.

2. *FIFA-commissioned report by Mark Pieth, Governing FIFA (Pieth, 2011)*
A report on FIFA governance written by Professor Mark Pieth seemed at first to have been a perfect marriage: FIFA had serious governance problems and Pieth was a widely respected governance expert, having advised leading international organizations, including the United Nations, on governance reform. However, both FIFA and Pieth's credibility took a hit when a Swiss newspaper revealed that Pieth had been paid $128,000 plus $5,000 per day to produce the report. That Pieth was paid by FIFA was not necessarily problematic; however, the fact that the payment was not disclosed was widely perceived as troublesome.

In the FIFA report itself Pieth wrote about the importance to FIFA of having a strong conflict of interest policy which includes the disclosure of financial relationships between parties:

> [C]onflicts cannot be 'forbidden'; conflicts are a reason to notify and disclose the situation, and to recuse oneself in substantial cases. (2011)

In a 2005 report of the Independent Inquiry Committee into the Iraq Oil-for-Food Programme for the United Nations Pieth was even more explicit about the importance of disclosures of actual or perceived conflicts of interest:

> In order to safeguard against conflict of interest situations, a robust financial disclosure and conflict of interest regime should include a requirement that all United Nations staff and consultants, including '$1 dollar a year consultants', disclose in writing to the Ethics Office any financial interest or business relationship of his or her own or of immediate family members that could represent a conflict with his or her responsibilities or that could reflect unfavorably upon the integrity of the Organization. (Independent Inquiry Committee, 2005)

Such thinking was apparently not present in the case of Pieth's relationship with FIFA, and an immediate casualty of the disclosure of the financial arrangement was FIFA's relationship with Transparency

International, which terminated its participation in the FIFA reform effort. Bloomberg reported at the time:

> Sylvia Schenk, senior adviser for sport, said the organization turned down an invitation to join FIFA's outside governance committee because its chairman Mark Pieth is being paid by the soccer body and also after Pieth said he wouldn't be looking at allegations of past wrongdoing.
>
> 'All members of the commission are supposed to be independent,' Schenk said in a telephone interview. 'You can't be independent if you have a contract with FIFA'. (Panja & Bandel, 2011)

For his part, Pieth (2011) dismissed the concerns: 'I think Mrs. Schenk is playing a turf war here.'

The Pieth report, despite its rocky release, is used in this chapter as the second measuring stick for evaluating governance reform.

3. *First report of the FIFA IGC (Independent Governance Committee, 2012)*
In the spring of 2012, Pieth's IGC released a first report with reform recommendations for FIFA. That committee, which includes the word 'independent' in its title, was hardly independent of FIFA as that term is conventionally understood. Of the 12 initial members of the IGC and based on public sources, two were independent of FIFA, four appeared independent but had not disclosed whether or not they had any financial ties to FIFA and six were clearly not independent (Pielke, 2011).

Upon releasing the report, which contained 15 total recommendations, Pieth told the media: 'It's possible that some of the issues will not be accepted. I am anticipating that and I have to reserve my judgment over whether it's fundamental stuff or minor stuff" (Panja, 2012a). As the third measuring stick in the evaluation, we are in a position to judge the degree to which FIFA accepted the reform recommendations of its IGC.

4. *Chappelet and Mrkonijc (2013)*
The fourth measuring stick used in the evaluation comes from an academic paper by two scholars at IDHEAP, Jean-Loup Chappelet and Michaël Mrkonjic. Their paper (Chappelet & Mrkonjic, 2013) proposes a quantitative scorecard for evaluating the governance of international sports organizations (hereafter CM13). They propose that the scorecard can be used to evaluate how well international sports governance bodies conform to norms of good governance as developed in the international

community and applied in the context of sport. The scorecard allows a comparison across organizations and over time. Chappelet and Mrkonjic (2013) explain their focus:

> '[G]ood governance' is too context sensitive to be applied universally across all sport organisations, locally, nationally or internationally. What is needed is a way to evaluate the governance of a given sport organisation so that it can improve over the years ... The aim of this working paper is to present a pragmatic tool for assessing the state of governance of ISGBs [International Sports Governance Bodies].

Here I apply the 'pragmatic tool' developed by Chappelet and Mrkonjic (2013) to FIFA pre- and post- reform to provide another perspective on the impact of the reform effort on FIFA governance; it is thus the fourth measuring stick.

Data with Respect to the 'measuring sticks'

Data were gathered for comparison with the measuring sticks in order to assess the FIFA reform effort. To collect the data, I carefully looked through each of the three reports and excerpted the recommendations to FIFA contained in each. These recommendations appear in the Appendix at the end of this chapter.

I then evaluated whether FIFA's reform process has successfully implemented the recommendation, partially followed the recommendation or failed to implement the recommendation. These are of course judgement calls on both what constitutes a recommendation and whether it has been fulfilled, but in the case of FIFA there is not too much ambiguity. In the course of this research, FIFA was provided multiple opportunities to examine the categorization, and acknowledged the analysis, but has raised no objections.

More specifically, the results of an initial 'scorecard' were published on the website of Play the Game in 2013, with a request for comments (Pielke, 2013b). Based on comments and suggestions, including a formal response from FIFA (Pielke, 2013c), the scorecard underwent some (minor) revisions with the final results shown below (The specific recommendations from the three reports and their categorization can be in the Appendix at the end of this chapter).

Of the 59 total recommendations FIFA is judged to have implemented seven, partially implemented 10 and failed to implement 42. The judgement is unaffected by aggregation, as the reports can be considered independently. Either way, FIFA failed to implement the vast majority

Table 11.1 FIFA Reform Scorecard

Report	Total recommendations	Implemented	Partial	Not implemented
TI 2011	26	1	3	22
Pieth 2011	14	0	2	12
IGC 2012	19	6	5	8

of recommendations offered in the three reports. In a subsequent section I discuss the substance of the recommendations adopted and those which FIFA chose not to adopt.

The fourth measuring stick is the governance scorecard of CM13 which provides seven categories within which they assign one to four points across nine criteria of good governance, resulting in a total possible score of 252 points (that is, the total for an organization which received a perfect score in each of the 63 criteria). CM13 apply their methodology to FIFA (based on FIFA in mid-2012, near the mid-point of the reform effort) and to the International Olympic Committee, which received 70.2 per cent of possible points. In contrast, pre-reform FIFA received 55.2 per cent of possible points (reflecting my application of the CM13 methodology) and 56.3 per cent of possible points after the reform effort. The FIFA reform effort thus was responsible for adding 1.1 per cent to the total points FIFA tallied under the CM13 scorecard.

For its part, FIFA announced at its March 2013 Congress that 'The majority of the reform recommendations by the IGC were implemented', a statement which is seemingly in conflict with what is reported here (FIFA, 2013). FIFA provided a presentation which listed a number of reforms accompanied by an image of a glass not half-full but almost filled to the top. How can we square these results with FIFA's almost-glass full imagery and their claim to have implemented a 'majority' of the recommendations of the IGC?

Of the 19 recommendations that I identify in the FIFA IGC report, 13 overlap with the 24 recommendations that FIFA distilled from the IGC report in its 'glass full' presentation. Of those 13 which overlap, I identify six that have been successfully implemented, five partially implemented and two unimplemented. The two recommendations that FIFA admitted to failing to implement are term limits (the IGC did not recommend an age limit) and the appointment of independent members to the Executive Committee. The other 11 recommendations on the FIFA list which do not appear on my list are actually

sub-recommendations of those which do appear on my list, and which I left as components under the main recommendations. So the FIFA summary of recommendations and those summarized here actually match up, that is, FIFA does not present any recommendations in its 'glass full' presentation that do not appear in my tally.

However, FIFA's summary of the IGC ignored seven other recommendations that I identified coming from the IGC. Thus, FIFA's claim to have implemented a majority of the IGC's recommendations depends upon ignoring seven recommendations and elevating several sub-recommendations to a higher level. At a panel session on the FIFA reform effort at Play the Game 2013 in Aarhus, Denmark that I participated in, FIFA spokesman Walter DeGregorio chose not to take issue with the data, but instead commented, perhaps jokingly but certainly unwisely, that 'I only believe in statistics that I doctored myself', falsely attributing the quote to Winston Churchill (Pielke, 2013d) (Though perhaps apocryphal, the quote apparently was manufactured by Goebbels to discredit Churchill.) In any case, there is no substantive inconsistency between my tabulation and that provided by FIFA, and given several opportunities to contest the content of this evaluation, FIFA has chosen not to challenge the analysis.

So how did FIFA do in its reform process?

Overall, as judged against the recommendations made by Transparency International, Mark Pieth (prior to his appointment as IGC chair) and the IGC itself, FIFA adopted a very small number of recommended reforms: seven of 59 total, and partially adopted a few more: 10 of 59, leaving the majority unimplemented: 42 of 59. Of course, none of this considers the substance of the recommendations, which is given a more in-depth treatment below.

A case can be made that FIFA did select the most convenient recommendations to implement, which would not be unexpected. After Mark Pieth accused FIFA of 'cherry picking' among reform proposals, Sepp Blatter agreed, and explained: 'We cannot take all the package now: this is impossible. Even if Professor Pieth says we shall cherry pick, we cannot take the whole tree. It's impossible to take the tree and have all the cherries down' (Panja, 2012b). One could also make the case that the IGC itself cherry picked recommendations more likely to be found acceptable to FIFA, based on internal negotiations – likely a consequence of the IGC being an internal advisory body rather than a truly independent body.

The governance scorecard offered by Chappelet and Mrkonijc offers a consistent basis on which to evaluate the comprehensive effect of the FIFA reforms on governance, based on the 63 criteria that they present. The net effect of the reform effort is positive, but minimal according to CM13.

We might also ask how well the FIFA IGC performed. Many more recommendations of the IGC were adopted than those that were recommended by Transparency International or by Mark Pieth prior to assuming the role as IGC chair. No doubt this outcome resulted from a degree of filtering by the IGC of what recommendations to actually bring forward. As Pieth told the *Financial Times* in March 2012: 'I didn't stand up at the beginning and say, "I'm the big clean-up man." I didn't intend to raise expectations, because that would have been for myself a way of crashing' (Kuper, 2012).

Consequently, FIFA was never provided with the opportunity to consider a more aggressive program of reform than that recommended by the IGC. Even if the organization would have ultimately voted against such reforms, bringing them forward would have prevented FIFA from advancing the mistaken notion that its reform process has been a great success. Further, it would have brought into the open FIFA's position on those reforms considered to be essential to the organization from qualified, external experts. The IGC failed to recognize that the success of an advisory body lies in the quality of the advice, not whether decision makers act on it. By tailoring its advice to what FIFA wanted to hear, the IGC may have actually contributed to FIFA's continued insularity and resistance to change.

There is a broader lesson here for international sports organizations seeking expert advice, a group which reaches well beyond FIFA to include other international and national sports governance bodies facing reform, crisis or scandal, as well as participating in broad discussions related to match fixing and doping. That lesson centres on the importance of truly independent advice and the importance of cleanly separating advice from decision-making (Pielke, 2007).

FIFA's Independent Governance Committee was misnamed as it was never truly independent – most of its members had ties to FIFA, and two of its original members are now on the FIFA Executive Committee (Pielke, 2011). There are various plausible mechanisms that might be considered for overseeing and paying for independent advice – there are many successful models to draw upon from outside sport (Pielke, 2007). However, a pre-condition for a successful advisory process is a commitment from the organization receiving the advice to actually hear what

relevant, independent experts have to say. The FIFA reform process was managed from inside the organization, blunting both the advice that was eventually offered and the potential to clearly evaluate the organization's commitment to reform. As a consequence, both FIFA and its IGC did not perform as well as they might have in the reform effort.

Based on the evaluation presented here it is hard to reach any other conclusion than that FIFA's reform process 2011–2013, despite very modest steps forward, has fallen far short of what is needed to achieve what are broadly shared community norms of what constitutes good governance.

Where now for FIFA reform?

The 42 recommendations for FIFA reform from Transparency International, Pieth and the IGC that went unimplemented share three common characteristics. First, the unimplemented recommendations imply the greater sharing of authority and control of FIFA decision-making with outsiders to the organization. Second, the recommendations impose standards of governance on FIFA which have been developed in the international community, and thus outside the closed culture of FIFA and international sports. Third, the recommendations require the opening up of FIFA to greater transparency beyond the disbursements of funds to FIFA member organizations. More specifically the 42 recommendations can be summarized under nine categories:

1. Executive term limits;
2. Establishment of a compensation committee with external membership;
3. Salary disclosure;
4. Non-executive directors on the executive committee;
5. Adoption of best-practice anti-corruption protocols;
6. Adoption of best-practice conflict of interest guidelines;
7. Greater financial disclosure at all levels of FIFA and its member organizations;
8. Greater transparency in anti-corruption investigations, proper due process;
9. Greater adoption of democratic procedures in various FIFA election processes.

It is important to note that there appears to be little debate in the governance community as to what reforms would improve the quality

of FIFA governance. The challenge for FIFA in continuing to reform its governance is not in identifying what needs to be done, but rather in achieving implementation of those steps for which there exists a broad consensus.

One challenge facing FIFA reform is that many observers focus attention on Sepp Blatter, the FIFA president. While Blatter's terms as FIFA president might themselves be evaluated, it is important to recognize that the governance shortfalls identified in this evaluation, that is, those based on Transparency International, Pieth and the IGC, go far beyond the idiosyncrasies of the FIFA leadership. The shortfalls in FIFA governance will not be automatically corrected by change at the top or in its Executive Committee. While such leadership changes might make institutional reform more (or less) likely, they will not in themselves obviate the need for more fundamental institutional reforms.

The strong implication, then, of this evaluation is that continuing reform efforts are needed if FIFA is to improve its governance practices. One way that a reform agenda might be advanced is to empanel a truly independent external committee to recommend a 'platinum standard' agenda for reform.

In many contexts experts with unimpeachable credentials are convened to provide advice to decision-makers. Recent examples include the European Commission's 'High-level Expert Group on reforming the structure of the EU banking sector' (EU, 2009) and the US government's "National Commission on Fiscal Responsibility and Reform" (US, 2010). For FIFA such a 'platinum standard' committee might focus on identifying those steps necessary to achieve improved governance in a manner consistent with honest brokering (Pielke 2007), which would be characterized by the identification of a range of options and their consequences for reform. FIFA progress with respect to reform could then be tracked in a straightforward manner, along the lines of the evaluation presented here, according to how far along in implementation the organization is with respect to the suite of recommendations.

Such a committee, ideally, would be requested by governmental organizations, for example, the Council of Europe, the G20, UNESCO, and funded by sponsors with a stake in the outcome, giving the effort legitimacy and standing. The product of such an effort would be a blueprint for reform which provides sufficient detail so as to be a guide to implementation. As the committee would be independent of FIFA there would be a clear distinction between the advisory process and the FIFA decision-making process. Such advice would give outsiders leverage for

pressing for continued reform and all observers an unambiguous basis for tracking progress.

Ultimately, for FIFA one question remains: with standards of 'good governance' widely understood and shared, what is the justification for sports federations – and FIFA specifically – to be held to lesser standards than any other legitimate, global organization that operates internationally and turns over billions of dollars every year?

Appendix

Data Appendix Summary of reform recommendations – Adapted from Transparency International (2011), Pieth (2011) and IGC (2012)

TRANSPARENCY INTERNATIONAL 2011

#	RECOMMENDATIONS	DONE?	NOTES
1	FIFA should set up a committee of insiders and outsiders to review its code of ethics for the organization and its officials (be they elected or appointed, paid or unpaid) and employees.	N	
2	Clear conflict of interest policy with a transparent interests register for leaders (published, for example, on the FIFA website).	N	
3	Disclosure of income of leading staff members as well as remuneration of members of the Executive Committee and other key bodies.	N	
4	Guidelines for giving and receiving gifts at all levels of football governing bodies.	N	
5	Special guidelines for high-risk areas.	N	
6	FIFA should establish a help desk to answer questions from anyone to whom the code applies about handling difficult situations (for example, how to deal with a specific invitation, or which gifts might be appropriate in a specific situation), providing anonymity if required.	N	
7	A maximum of two terms for positions including the Executive Committee and the Finance Committee.	N	
8	Transparent and competitive elections and appointment processes.	N	
9	Wider representation of stakeholders and diversity on the Executive Committee and other committees.	P	Earmarked one ExCo spot for a woman

(continued)

Transparency International 2011 Continued

#	RECOMMENDATIONS	DONE?	NOTES
10	Presence of non-executive (i.e., external) directors to the Executive Committee, Finance Committee and all major bodies.	N	
11	The general secretary and the directors should be appointed for a set time-limit (for example five years with reappointment).	N	
12	FIFA should identify enhanced anti-bribery measures such as job rotation and involvement of independent external experts in assessed areas of high risk.	P	Garcia
13	We recommend that the multi-stakeholder group assesses the current standards.	N	
14	Setting up a remuneration committee to decide on the remuneration packages, including bonuses, pensions, etc. of all senior FIFA officials. It should be guided by clear criteria, which should be decided by a larger decision-making body. Membership should include both internal FIFA and external (independent) representatives, the chair being one of the independent members. A report by the remuneration committee should be published in FIFA's annual report. (These recommendations parallel good practice in the business world.)	N	
15	Publishing an overview on how much money is paid to each confederation and member federation, including payments from the emergency fund and any other budget line item.	DONE	Overview
16	Publishing the audit reports from the local as well as from central independent auditors to give an account of the financial control system.	N	
17	Establishing an 'Audit from below', i.e., publishing the use of funds in detail per confederation and member federation, so that interested parties can see whether the payments made match the services and/or goods/infrastructure received.	N	
18	Adaptation of the voluntary International Financial Reporting Standard (IFRS), which FIFA uses, to take into account the special nature of FIFA and the requirements of its different stakeholders.	P	
19	There is a need for additional transparency and more detailed public reporting. Public reporting cannot be limited to financial information; it must also disclose the criteria for, and processes behind, decisions made at the top.	N	

(continued)

Transparency International 2011 Continued

#	RECOMMENDATIONS	DONE?	NOTES
20	There should also be formalized and consistent reporting on anti-corruption activities integrated into already established reporting processes (e.g., accounting).	N	
21	FIFA needs clear published guidelines for the initiation and execution of investigations.	N	
22	Whistleblower protection rules and the appointment of an independent ombudsman.	N	
23	Each suspicion has to be investigated professionally, by a body independent of the Executive Committee.	N	
24	Review of composition as well as competences of the Ethics Committee and Appeal Committee. The bodies should be independent with clear appointment criteria, election processes, etc. The Ethics Committee should have the right to start investigations on its own initiative not just to follow up on referrals, whether from the Secretary General, members of the Executive Committee and continental and national federations.	P	New ethics committee
25	Each breach of rules/code of ethics must have consequences. If a list of offences and sanctions is published, no board decisions will be seen as arbitrary.	N	
26	Any breach of criminal law must be referred to the appropriate authorities for prosecution.	N	
27	FIFA, as well as its confederations and national federations using money allocated by FIFA, should report annually on anti-corruption policies and their implementation, as well as on any allegations and the actions taken.	N	
28	The organizing committees for all events under the direct control of FIFA, especially the FIFA World Cup but also FIFA Women's and Youth tournaments, should be obliged to use Integrity Pacts4 (anticorruption contracts) for any construction projects and to publish reports under the new Sector Supplement Events of the Global Reporting Initiative, which provides guidelines for Corporate Social Responsibility.	N	

PIETH 2011

	RECOMMENDATIONS	DONE	NOTES
1	FIFA could further upgrade its existing financial governance, in particular by: developing a catalogue of potentially critical payments, and by deciding whether direct controls are warranted or whether indirect controls could be sufficient.	N	
2	Intensifying its specific anti-corruption controls within existing COSO.	N	
3	FIFA should upgrade its compliance system to meet the requirements of a state of the art corporate anticorruption compliance programme (including a review of the Code of Ethics, the risk analysis, the detailed rules on contributions etc. and the hiring of third parties, education and training as well as notification channels). Particular emphasis needs to be placed on the credible implementation of the programme. Member Associations and Confederations should be encouraged to adopt comparable standards.	N	
4	On an organizational level, FIFA should consider electing independent members into the ExCo.	N	
5	The competences of the Financial Committee and the Audit Committee should be clearly distinguished. The Audit Committee, in order to act as a genuine internal control body, needs to be sufficiently independent from the administration (the agenda should be set by the Chair, the Committee should have access to external resources under its own authority, if need be).	P	Partial
6	Likewise, the Ethics Committee and the Disciplinary Committee should obtain clearly distinct tasks. This will require a reform of the underlying Codes (Ethics Code and Disciplinary Code). The Ethics Committee needs to be transformed into an independent body with a mix of external and internal members and the power to initiate investigations based on its own assessment.	P	
7	A Compensation and Benefits Committee should decide over benefits of officials of FIFA bodies and senior staff.	N	
8	Candidates should announce their wish to stand sufficiently ahead of the election.	N	

(continued)

Pieth Continued

	RECOMMENDATIONS	DONE	NOTES
9	FIFA should examine a system of campaign financing which provides officially announced candidates with sufficient backing (a certain number of Member Associations) with FIFA funding, ruling out further private campaign contributions.	N	
10	FIFA should consider limiting terms of office of its officials.	N	
11	FIFA should consider introducing regular due diligence checks by the Ethics Committee on elected Members of its bodies. A regulation should specify cases of incompatibility with the FIFA function. The regulation should also define the procedure, and clarify under which circumstances an official would be temporarily suspended from his function.	N	
12	Decisions on hosting and on commercializing would greatly benefit, beyond a review of the actual procedures, of an overall abstract strategy, defined by relevant Committees and ratified by Congress.	N	
12	An institution of the size and significance of FIFA needs a state of the art conflict of interest regulation, indicating cases of conflict and specifying the procedures (up to a possible recusal). While a conflict of interest regulation is a general requirement, it will be particularly useful to prevent abuses and adverse publicity in FIFA's relations to Members.	N	
14	Additional preventive measures ensuring transparency and accountability in its relations with Members should be taken in the area of financial contributions for the development of football in countries and regions.	N	
15	Members should be taken in the area of financial contributions for the development of football in countries and regions. An overall strategy should be adopted for the multitude of historically grown funds. They should be governed in a comparable manner, and expenditure as well as uses audited on the standard of the Goal Programme and FAP.	N	

IGC 2012

	RECOMMENDATIONS	DONE	NOTES
1	First and foremost it is fundamental that nominees for senior FIFA positions are vetted by an independent Nominations Committee, to be put in place as soon as possible, in order to ensure that candidates for the next elections fulfill the necessary substantive criteria and ethical requirements and that the selection process is fair and transparent.	N	
2	It is recommended that the remit of the Audit Committee be expanded to include the additional roles of a Compliance Committee as well as a Compensation Committee (new name: Audit & Compliance Committee).	Y	
3	It is furthermore fundamental that the Chairs of the Nomination Committee and the Audit & Compliance Committee have a seat in the Executive Committee.	N	
4	A new Development Committee should see to it that development funding is awarded on a transparent and fair basis and follows a predefined strategy with all procedures fully documented.	P	
5	The IGC recommends that the most important proposals made by the Task Force Ethics Committee be implemented as soon as possible: especially the separation of an investigatory and an adjudicatory chamber as well as the right of the investigatory chamber to set procedures in motion proprio motu, i.e., the independent ability of the Ethics Committee to initiate investigations.	Y	
6	The IGC strongly recommends that the Chairs and the Deputy Chairs of the judicial bodies be staffed as soon as possible by truly independent persons of high standing and expertise.	P	
7	The new Code of Ethics should be put into force by the Executive Committee following Congress 2012, after detailed review by the IGC. Whereas the substantive rules will not be retroactive, procedures and organizational measures will be applicable to past behaviour.	Y	
8	The Chairs and Deputy Chairs of the Investigatory Chamber and the Adjudicatory Chamber should be independent in accordance with the proposed definition to be included in the FIFA Statutes; in addition they should meet the necessary professional requirements applicable to all members of the judicial bodies as set out in the proposed Code of Ethics.	P	

(continued)

IGC 2012 Continued

	RECOMMENDATIONS	DONE	NOTES
9	The initial candidates for those positions should be selected and proposed by the IGC.	N	
10	The candidates should be elected by the competent FIFA body and start their functions as soon as possible.	Y	
11	The Ethics Committee should be given the competences and resources to discharge its purpose. Specifically the investigatory chamber should draw up a budget at its own discretion in order to conduct professional investigations with internal or external resources.	Y	
12	The Secretariat of the Ethics Committee should directly report to the Chairs of the investigatory chamber and the adjudicatory chamber respectively and should be independent from management.	N	
13	In order to systematically manage complaints and allegations of all kinds, a unified confidential reporting mechanism should be established, which is easily accessible to the public.	Y	
14	An Audit & Compliance Committee should be established with the typical supervisory role of an Audit Committee, and the additional responsibilities for a Compliance Program as well as Compensation & Benefits. This includes the following primary steps, which should be implemented as soon as possible: • The Chair and the Deputy Chair of the Audit & Compliance Committee should be independent in accordance with the definition to be included in the FIFA Statutes; in addition they should meet the necessary professional requirements applicable to all members of the Audit & Compliance Committee as set out in the proposed Organization Regulations; • The initial candidates for those positions should be selected and proposed by the IGC; • The candidates should be elected by the competent FIFA body and start their functions as soon as possible; • The Audit & Compliance Committee should be given the competences and resources to discharge its purpose; it should draw up a budget and decide on the support of external advice at its own discretion. The Committee should be responsible for the selection of the external auditors (see subsection 3.3.3) and for examining the annual audit report and recommendations;		

(continued)

IGC 2012 Continued

	RECOMMENDATIONS	DONE	NOTES
	• In the area of Compliance, the Statutes should be amended by the responsibility of the Audit & Compliance Committee to establish and monitor a best practice Compliance Program. The Head of the Compliance Function (Compliance Unit) should have direct access to the Chair of the Audit & Compliance Committee. In addition, the Audit & Compliance Committee should have access to complaints and allegations filed under the confidential reporting mechanism and should receive regular updates; • In the area of Compensation & Benefits, the Audit & Compliance Committee should have the following main responsibilities: • Define the overall Compensation & Benefits strategy of FIFA; • Decide on the Compensation & Benefits of the President, the Executive Committee Members, the Secretary General and the Independent Members of Standing Committees; • Transparency: The Compensation & Benefits (including all elements such as regular & variable compensation components, benefits, pension fund contributions, severance/termination regulation and payments) of the above listed positions should be individually and annually reported to the Congress; • Regulations should be adopted containing the strategy and criteria for Compensation & Benefits.	P	
15	In the area of Compensation & Benefits, the Audit & Compliance Committee should have the following main responsibilities: • Define the overall Compensation & Benefits strategy of FIFA; • Decide on the Compensation & Benefits of the President, the Executive Committee Members, the Secretary General and the Independent Members of Standing Committees; • Transparency: The Compensation & Benefits (including all elements such as regular & variable compensation components, benefits, pension fund contributions, severance/termination regulation and payments) of the above listed positions should be individually and annually reported to the Congress; • Regulations should be adopted containing the strategy and criteria for Compensation & Benefits	N	

(continued)

IGC 2012 Continued

	RECOMMENDATIONS	DONE	NOTES
16	In order to support their supervisory function, the Chairs of the Audit & Compliance Committee and the Nomination Committee should participate in the meetings of the Executive Committee; they should therefore have a seat in the Executive Committee.	N	
17	Slightly differing from the suggestions of the Task Forces, the IGC proposes the introduction of the following terms of office: • President: 2 terms of 4 years • Executive Committee: 2 terms of 4 years • Judicial bodies: 1 term of 6 years • Chairmen of Standing Committees: 1 term of 8 years • Retroactive effect: The current terms of affected officials should continue; upon expiration of a second 4-year term, only 1 additional 4-year term can be added; • In addition, the Statutes should state the 'staggered board' principle and should lay the foundation for an impeachment procedure by the Nomination Committee (to be further regulated on policy level) in case an official proves to be unfit for office during his/her term of office. Contrary to the Task Forces, the IGC is not proposing an age limit; the proposed terms of office, the impeachment procedure and the integrity checks should serve the purpose of ensuring efficient corporate bodies.	N	Appears in FIFA 'glass full' slide
18	The Statutes should be amended by the responsibility of the Audit & Compliance Committee to establish and monitor a best practice Compliance Program and to oversee the Compliance function. During 2012, the relating policies and procedures need to be reviewed by the IGC before enactment by the Executive Committee. The policies need to address – inter alia – the following topics in a consistent (i.e. the same rule for officials and employees) and detailed way: • Conflicts of interest • Gifts & hospitality • Confidential reporting mechanism • Responsibilities and resources	N	

(*continued*)

IGC 2012 Continued

	RECOMMENDATIONS	DONE	NOTES
19	In accordance with the proposal of the Task Forces, a Development Committee should be established taking all decisions regarding Development Programs funds and the relating decisions should be properly documented. The use of funds should be tightly controlled (e.g., through audits by FIFA and the requirement for audited final reports by recipients of funds) and publicly disclosed. The FIFA Statutes should be amended accordingly. • Hosting of the Football World Cup: With regard to the bidding procedure for the hosting of the Football World Cup, Article 79 of the FIFA Statutes should explicitly state the principles of integrity, fairness and equity. In a next step, the bidding procedure should be clearly regulated on policy level, including rules relating to campaigns of bidders. The corresponding policies and procedures should be reviewed by the IGC before enactment. • Commercial contracts (TV rights, Marketing, i.e. licensing & hospitality, Ticketing and Sponsoring) should be put out to tender. The bidding procedures should be transparent and based on objective criteria. The IGC should review the relating policies and procedures in the next phase of the governance reform project. • Financial controls over FIFA Member Associations: The Task Forces have made a number of specific proposals, especially relating to reporting and auditing of FIFA Member Associations. In order to ensure the application of FIFA's values and principles by its Members, the proposals by the Task Forces need to be further discussed and implemented on a policy level. The IGC should review those measures before enactment of the relevant policies and procedures by the Executive Committee. In order to emphasize independence from management, the Audit & Compliance Committee should select and propose the statutory auditor of FIFA for election by the Congress. Based on a clearly documented and communicated strategy. All requests for development	P	Appears (partially) in FIFA 'glass full' slide

(continued)

IGC 2012 Continued

	RECOMMENDATIONS	DONE	NOTES
20	In order to ensure the integrity of FIFA's officials and key employees in line with FIFA's values and principles, a Nomination Committee should be established. This includes the following primary steps, which should be implemented as soon as possible: • The Chair and the Deputy Chair of the Nomination Committee should be independent in accordance with the definition to be included in the FIFA Statutes; in addition they should meet the necessary professional requirements applicable to all members of the Nomination Committee as set out in the proposed Organization Regulations. • The initial candidates for those positions should be selected and proposed by the IGC. • The candidates should be elected by the competent FIFA body and start their functions as soon as possible. • The Nomination Committee should be given the competences and resources to discharge its purpose; it should draw up a budget and decide on the support of external advice at its own discretion. It shall also have access to internal investigatory resources of the Ethics Committee. • The Nomination Committee should have access to complaints and allegations filed under the confidential reporting mechanism and should receive regular updates on information relevant for their remit. • The remit of the Nomination Committee should include the following: o Search, selection and proposal of independent members of Standing Committees o Checks relating to professional criteria on all officials covered by such requirements o Integrity Checks on key officials and employees of FIFA • The cornerstones of the Integrity Check should be regulated in the FIFA Statutes: o Personal scope: Key officials, including President, Executive Committee Members, Committee Members to be elected by Congress, Finance Committee Members, Key employees	N	

(*continued*)

IGC 2012 Continued

RECOMMENDATIONS	DONE	NOTES
○ Temporal scope: Retroactive for all current position holders; upon election/re-election		
• Detailed regulation of content and process of the Integrity Check should be established by the Nomination Committee during 2012 and a corresponding policy should be adopted. The regulation should be reviewed by the IGC before adoption.		
• In order to improve transparency and democracy, all open positions covered by the Nomination Committee procedure should be made public and applications can be submitted to the Nomination Committee.		

References

Bradley, S. (2013). A culture of change is seeping into FIFA. *Swissinfo, Swiss Broadcasting Corporation*, May 31. Available at www.swissinfo.ch/eng/culture/A_culture_of_change_is_seeping_into_FIFA_.html?cid=36006902 [accessed 14 January 2014].

Chappelet, J-L., & M. Mrkonjic, (2013). Basic indicators for better governance in international sport (BIBGIS): An assessment tool for international sport governing bodies. IDHEAP, Swiss Graduate School of Public Administration, January. Available at www.idheap.ch/idheap.nsf/view/D6156F1EF87ACB07C1257B3900538D87/$File/IDHEAP%20Working%20Paper%201-2013.pdf [accessed 13 January 2014].

EU (2009). High-level Expert Group on reforming the structure of the EU banking sector. Available at http://ec.europa.eu/commission_2010-2014/barnier/headlines/news/2012/10/20121002_en.htm

FIFA. (2011). FIFA acknowledges report by TI. FIFA Media Release. Available at www.fifa.com/aboutfifa/organisation/news/newsid=1493338 [accessed 14 January 2014].

FIFA. (2013). The majority of the reform recommendations by the IGC were implemented. FIFA. Available at www.fifa.com/mm/document/affederation/bodies/02/08/92/28/fifagovernancereformprocessoverview_neutral.pdf [accessed 14 January 2014].

FIFA Congress, (2013). Pieth: Quite spectacular what has been achieved. *FIFA Congress*, May 31. Available at www.fifa.com/aboutfifa/organisation/bodies/congress/news/newsid=2089621 [accessed 13 January 2014].

Hughes, R. (2011). One of FIFA.s own speaks out. *New York Times*, 6 September. Available at www.nytimes.com/2011/09/07/sports/soccer/07iht-soccer07.html [accessed 13 January 2014].

Independent Governance Committee. (2012). *FIFA Governance Reform Project: First Report by the Independent Governance Committee to the Executive Committee*

of FIFA. Independent Governance Committee, 20 March. Available at www.baselgovernance.org/fileadmin/FIFA/first_report_by_igc_to_fifa_exco.pdf [accessed 13 January 2014].

Independent Inquiry Committee. (2005). *The management of the United Nations Oil-for-Food Programme*. Independent Inquiry Committee into the United Nations Oil-for-Food Programme, 7 September. Available at www.europelink.eu/dossiers/analyses/Mgmt_V4.pdf [accessed 13 January 2014].

Kuper, S. (2012). Can this man fix FIFA? *Financial Times*, 23 March. Retrieved January 13, 2014, from www.ft.com/cms/s/2/3762ca44-72ed-11e1-9be9-00144feab49a.html#axzz2qJPl8wKv [accessed 13 January 2014].

Larason-Schneider, A. (1986). The evolution of a policy orientation for evaluation research: A guide to practice. *Public Administration Review, 46*(4), 356–363.

Panja, T. (2012a). FIFA soccer executives may not declare salaries, reformer says. *Bloomberg News*, 2 April. Available at www.bloomberg.com/news/2012-04-02/fifa-soccer-executives-may-not-declare-salaries-reformer-says.html [accessed 13 January 2014].

Panja, T. (2012b). FIFA shouldn't 'cherry pick' reform measures, adviser says. *Bloomberg News*, 25 May. Available at www.bloomberg.com/news/2012-05-25/fifa-shouldn-t-cherry-pick-reform-measures-adviser-says.html [accessed 13 January 2014].

Panja, T. (2013). FIFA anti-corruption adviser quits 'least productive project'. *Bloomberg News*, 22 April. Available at www.bloomberg.com/news/2013-04-22/fifa-anti-corruption-adviser-quits-least-productive-project-.html [accessed 14 January 2014].

Panja, T. & C. Bandel (2011). Transparency International pulls support from FIFA anti-corruption program. *Bloomberg News*, 1 December. Available at www.bloomberg.com/news/2011-12-01/transparency-international-pulls-support-from-fifa-anti-corruption-program.html [accessed 13 January 2014].

Pielke, Jr., R. A. (2007). *The honest broker: Making sense of science in policy and politics*. Cambridge: Cambridge University Press.

Pielke, Jr., R. A. (2011). Independence scorecard for FIFA's 'Independent' Governance Committee. *The Least Thing*, 18 December. Available at http://leastthing.blogspot.com/2011/12/independence-scorecard-for-fifas.html [accessed 13 January 2014].

Pielke, Jr., R. A. (2013a). How can FIFA be held accountable? *Sport Management Review, 16*, 255–267.

Pielke, Jr., R. A. (2013b). A report card on FIFA reform. *Playthegame.org*, 19 June. Available at www.playthegame.org/news/detailed/a-report-card-on-fifa-reform-5625.html. [accessed 13 January 2014].

Pielke, Jr., R. A. (2013c). FIFA responds to the 'Report card on FIFA reform'. *Playthegame.org*, 8 July. Available at www.playthegame.org/news/detailed/fifa-responds-to-the-report-card-on-fifa-reform-5634.html [accessed 13 January 2014].

Pielke, Jr., R. A. (2013d). FIFA reform recommendation scorecard. *The Least Thing*, 5 November. Available at http://leastthing.blogspot.com/2013/11/fifa-reform-recommendation-scorecard.html [accessed 13 January 2014].

Pieth, M. (2011). Governing FIFA: Concept paper and report. Universität Basel, 19 September. Available at www.baselgovernance.org/fileadmin/FIFA/governing_fifa_mark_pieth.pdf [accessed 13 January 2014].

Robinson, J., (2013). FIFA slowly sails toward reform. *Wall Street Journal*, 4 June. Available at http://online.wsj.com/article/SB10001424127887324063304578521301415971928.html [accessed 13 January 2014].

Schenk, S. (2011). *Safe hands: Building integrity and transparency at FIFA*. Transparency International. Available at www.ti-israel.org/_Uploads/dbsAttachedFiles/FIFASafeHands.pdf [accessed 13 January 2014].

Transparency International. (2011). Independent group should oversee FIFA reform. *Transparency International*, 16 August. Available at www.transparency.org/news/pressrelease/20110816_independent_group_should_oversee_fifa_reform [accessed 13 January 2014].

Transparency International. (2013). Transparency International, the Global Coalition Against Corruption. Available at www.transparency.org [accessed 13 January 2014].

US (2010) National Commission on Fiscal Responsibility and Reform. Available at www.fiscalcommission.gov