An Evaluation of the FIFA Reform Process

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Play the Game 2013
Aarhus, Denmark
Brief introduction to me

- PhD (Political Science), MA (Public Policy), BA (Mathematics)
- Expertise in governance of science and technology
- Director, Center for Science and Technology Policy Research (University of Colorado)
- Professor, Environmental Studies Program (University of Colorado)
Evaluation is not always welcomed

How Much Did it Cost to Launch the Space Shuttle (1993)?

<table>
<thead>
<tr>
<th>Millions of US$</th>
<th>NASA Claim</th>
<th>Pielke Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,400</td>
<td></td>
<td></td>
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<tr>
<td>1,600</td>
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<tr>
<td>1,800</td>
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</tbody>
</table>
FIFA will benefit from more debate

“Just like football, debate has this awesome power to bring people together. Debate opens our minds to new worlds. It challenges our prejudices. It inspires. Just like football, debate has the power to break down barriers. It makes us better people and it makes the world a better place. “

Sepp Blatter, FIFA President
25 October 2013
Oxford Union
In a relatively short space of time, it's quite spectacular so far what has been achieved.” Mark Pieth 2013

"the majority of the reform recommendations by the IGC were implemented” FIFA 2013

"It's been the least productive project I've ever been involved in. There's no doubt about that.” Alexandra Wrage, Trace International (upon FIFA IGC resignation 2013)

"The constant postponement of change has led to a breakdown not only of FIFA's credibility, but also of the proper functioning of its whole political structure” Jens Sejer Andersen 2011

Motivation for an evaluation: Moving beyond an inkblot
An evaluation requires a measuring stick

- **TI 2011: Safe Hands: Building Integrity and Transparency at FIFA (2011)**, Transparency International
- **Pieth 2011: Governing FIFA (2011)**, FIFA-commissioned report by Mark Pieth
- **IGC 2012: First report of the FIFA IGC (2012)**
7 dimensions of good governance

- Organisational transparency
- Reporting transparency
- Stakeholders’ representation
- Democratic process
- Control mechanisms
- Sport integrity
- Solidarity

- Each with 9 indicators
- Scored on 5 point scale

- 252 total points (= 7 x 9 x 4)
- FIFA = 55.2%
  (of total possible points)
### FIFA Reform Recommendation Scorecard

<table>
<thead>
<tr>
<th>Report</th>
<th>Total</th>
<th>Implemented</th>
<th>Partially</th>
<th>Not Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>TI 2011</td>
<td>26</td>
<td>1</td>
<td>3</td>
<td>22</td>
</tr>
<tr>
<td>Pieth 2011</td>
<td>14</td>
<td>0</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>IGC 2012</td>
<td>19</td>
<td>6</td>
<td>5</td>
<td>8</td>
</tr>
</tbody>
</table>

- Total recommendations = **59**
- Number not implemented = **42**

With respect to CM13:
- FIFA’s score went up
- From 55.2% to 56.3%
FIFA has implemented some important reforms

<table>
<thead>
<tr>
<th>Type</th>
<th>IGC recommendation (report to Exco, 20 March 2012)</th>
<th>Status (15 April 2013)</th>
</tr>
</thead>
</table>
| **Judicial system** | **Ethics Committee (2.3)**  
- New Code of Ethics (e.g. “propter motu”, retroactive)  
- 2-chamber system (investigatory, adjudicatory)  
- Independent chairman & deputy chairmen  
- Initial candidates proposed by the IGC  
- Candidates to be elected and start as soon as possible  
- EC to be given sufficient competences/resources  
- EC secretariat to directly report to chairmen  
- Confidential Reporting System (e.g. public access)  |  
☑ implemented July 2012  
☑ implemented June 2012  
☑ implemented July 2012  
☑ implemented June 2012  
☑ H. Eckert (accepted by FIFA), M. Garcia (accepted by IGC)  
☑ implemented July 2012 (first election in 2013)  
☑ full access provided, no limitation of resources  
☑ implemented July 2012  
☑ implemented March 2013  |
| **Democratic reforms** | **Audit & Compliance Committee (3.3.1.1)**  
- Independent and professional chairman & deputy  
- Initial candidates proposed by the IGC  
- Candidates to be elected and start as soon as possible  
- ACC to be given sufficient competences/resources  
- Best practice compliance programme (compliance unit)  
- ACC to decide on compensation (strategy/individuals)  
- Compensation: individually to be reported to Congress  
**Executive Committee (3.3.1.2)**  
- Chair of ACC and Nomination Committee to have seat  
**Terms of Office/Age limit (3.3.1.3)**  
- Introduction of various terms of office for officials  |  
☑ implemented June 2012 (deputy 2013)  
☑ proposal accepted (D. Scala)  
☑ implemented June 2012  
☑ implemented June 2012  
☑ currently being implemented (first draft accepted by ACC)  
☑ implemented March 2013 (independent compensation sub-committee)  
no  
There are different views on that  
(no)  
Partially adopted (ad-hoc attendance)  
☑ submitted to Congress 2014 as will be examined further  |
| **Compliance Program** | **ACC to establish and monitor a best practice Compliance Program (conflicts of interest, gifts & hospitality, Confidential Reporting mechanism, Responsibility and resources)**  |  
☑ already implemented (e.g. Code of Conduct, Organisation Regulations, Expense Regulations, internal audit function/control system, confidential reporting system) or in progress (e.g. directive for employees, training)  |
Successful reform?

The majority of the reform recommendations by the IGC were implemented.
Common characteristics of the 42 unimplemented recs

- Sharing authority and control for FIFA decision making with FIFA outsiders,
- The imposition of external standards of governance on the organization, or
- The opening up of the organization to greater transparency in areas outside the disbursement of FIFA funding to member organizations.
The 42 unimplemented fall under 9 categories:

- Executive term limits;
- Establishment of a compensation committee with external membership;
- Salary disclosure;
- Non-executive directors on the executive committee;
- Adoption of best-practice anti-corruption protocols;
- Adoption of best-practice conflict of interest guidelines;
- Greater financial disclosure at all levels of FIFA and its member organizations;
- Greater transparency in anti-corruption investigations, proper due process;
- Greater adoption of democratic procedures in various FIFA election processes.
## FIFA Reform Scorecard -- What if?

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<td>19</td>
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<td>0</td>
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</tbody>
</table>

- **Total recommendations = 59**
- **Number not implemented = 0**

With respect to CM13:
- FIFA’s score would go up
- **From 55.2% to 70.1%**
Yes, reform is difficult... but, it is not about Sepp.
What now for reform?

- Relevant expert community has a strong consensus on what it means to practice “good governance”;
- Everyone, including FIFA, has agreed that FIFA’s governance was not good enough;
- Did the 2011-2013 reform effort go far enough?
  - Not according to the data presented here
- Continuing reforms are needed
- With a general consensus on the substance of “good governance” attention should focus on the process of achieving it
A recommendation: “Platinum Standard” Commission

- **Strong precedent for “platinum standard” advisory efforts, e.g.,**
  - European Commission: *High-level Expert Group on reforming the structure of the EU banking sector*
  - US Government: *National Commission on Fiscal Responsibility and Reform*

- **Chaired by leaders with unimpeachable credentials;**
- **Funded, ideally, by FIFA sponsors;**
- **Requested by governments (e.g., CoE, G20, UNESCO, etc.);**
- **Produces a blueprint for reform that is (a) comprehensive, (b) detailed, and (c) provides options;**
- **Completely independent from FIFA, and thus non-threatening;**
- **Gives those stakeholders with leverage to call for reform a clear guide as to what is needed.**
In closing: A big question for FIFA.

With standards of “good governance” widely understood and shared, what is the justification for sport 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?
How to provide feedback!

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- http://leastthing.blogspot.com

Thank you!

Tak!