NATIONAL
SPORTS GOVERNANCE
OBSERVER

COUNTRY REPORT:
GEORGIA

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The views and opinions expressed in this report are those of the author and do not necessarily reflect the official policy or position of the Council of Europe, the Enlarged Partial Agreement on Sport (EPAS) or Play the Game.
KEY RESULTS: GEORGIA

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

Figure 1: Georgia’s overall NSGO index score

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

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

<table>
<thead>
<tr>
<th>Transparency</th>
<th>Democracy</th>
<th>Accountability</th>
<th>Societal responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>GASNF</td>
<td>8%</td>
<td>32%</td>
<td>9%</td>
</tr>
<tr>
<td>GAF</td>
<td>16%</td>
<td>45%</td>
<td>16%</td>
</tr>
<tr>
<td>GFF</td>
<td>38%</td>
<td>30%</td>
<td>21%</td>
</tr>
<tr>
<td>GHF</td>
<td>32%</td>
<td>38%</td>
<td>13%</td>
</tr>
<tr>
<td>GTF</td>
<td>12%</td>
<td>34%</td>
<td>13%</td>
</tr>
</tbody>
</table>
Table 1: Sport, official name, official acronym of sample federations, number of paid employees, state funding

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

Table 2: The surveyed Georgian federations’ scores on the 46 NSGO principles

<table>
<thead>
<tr>
<th>Principle</th>
<th>GASNF</th>
<th>GAF</th>
<th>GFF</th>
<th>GHF</th>
<th>GTF</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Legal and policy documents</td>
<td></td>
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<tr>
<td>2. General Assembly</td>
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<tr>
<td>3. Board Decisions</td>
<td></td>
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<tr>
<td>4. Board members</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>5. Athletes and clubs</td>
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<td>6. Annual report</td>
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<tr>
<td>7. Remuneration</td>
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<td>8. Elections of board members</td>
<td></td>
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<tr>
<td>9. Policy for differentiated</td>
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<tr>
<td>10. Nomination committee</td>
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<tr>
<td>11. Quorums</td>
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<tr>
<td>12. Term limits</td>
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<tr>
<td>13. Member representation</td>
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<tr>
<td>14. Regular board meetings</td>
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<tr>
<td>15. Athletes’ participation</td>
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<td>16. Referees’ participation</td>
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<td>17. Coaches participation</td>
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<td>18. Volunteers’ participation</td>
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<td>19. Employees’ participation</td>
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<td>20. Gender equality</td>
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<td>21. Supervision of board</td>
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<tr>
<td>22. Board resignation</td>
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<td>23. Board eligibility rules</td>
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<td>24. Clear governance structure</td>
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<tr>
<td>25. Supervision of management</td>
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<td>26. Audit committee</td>
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<tr>
<td>27. Financial controls</td>
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<td>28. Board self-evaluation</td>
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<td>29. External audit</td>
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<tr>
<td>30. Code of conduct</td>
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<td>31. Conflict of interest</td>
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<td>32. Complaint procedure</td>
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OVERVIEW

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

Thanks to the Council of Europe\(^2\) and the Enlarged Partial Agreement on Sports (EPAS) for the financial support that made it possible to conduct the NSGO study in Georgia. The support was provided based on the Act of Engagement (Contract No. CC.DGII.430.2018) between the CoE and the Georgian Strategic Analysis Centre of Georgia, which is an exclusive external partner of the project coordinators – Play the Game / Danish Institute for Sports Studies.

The average NSGO index of the Georgian federations is 21%, which constitutes a “weak” score according to the scale of the project. The highest average scores among the four dimensions is achieved in Democracy (36%), followed by 21% in Transparency. Average scores achieved in Accountability (14%) and Societal Responsibility (12%) are labelled as “not fulfilled”.

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

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

- Context of the good governance in sport and its place at the agenda of the Government;
- Sport system, devoting specific attention to the legal and political framework of sports regulation;
- Governance related policies that are being implemented in sport;

\(^2\) The views and opinions expressed in this report are those of the author and do not necessarily reflect the official policy or position of the Council of Europe, the Enlarged Partial Agreement on Sport (EPAS) or Play the Game.
• Methods and data gathering process;
• Finding of the study, focusing on the federations’ strengths and weaknesses in terms of the four NSGO dimensions
• The final section summarises the main findings and explores the way forward regarding good governance in Georgian sport.

CONTEXT

Sport is more than just a game… The European Sport Charter\(^3\) defines sport as “all forms of physical activity which, through casual or organised participation, aim at expressing or improving physical fitness and mental well-being, forming social relationships or obtaining results in competition at all levels”. Sport is a unique tool that can significantly contribute to social, economic and human capital development. The United Nations' Sustainable Development Goals acknowledge sport as an important enabler of sustainable development and peace\(^4\).

At national, regional and community level sport organisations (federations, associations, unions) are expected to deliver the benefits of sport to the society in return for public funding and support. On this path the major challenges are corruption\(^5\) and mismanagement in sport organisations. Problems in the governance of sports organisations have spurred action on many fronts\(^6\). In order to safeguard sport integrity, the international community and public actors have increased their efforts for better sport governance. The recommendations of the Council of Europe to its member states on the principles of good governance in sport (2005), Basic Universal Principles of Good Governance of the Olympic and Sport Movement (2008), Recommendations of the EU Experts Working group on the Principles for Good Governance of Sport in the EU (2013), European Parliament resolution on an integrated approach to sport policy: good governance, accessibility and integrity (2017) all serve as good examples of the stakeholders’ endeavour to promote good governance in sport.

“Implementing good governance enhances organisations’ legitimacy, effectiveness, and resistance to unethical practices. It therefore enables sport federations to build trust with governments, stakeholders, and potential commercial partners. This, in turn, enhances the autonomy of sports organisations. That is, if relevant principles are implemented adequately”. (A. Geeraert, 2017)\(^7\).

Promotion of good governance in sport is a key issue for the Georgian Government. One of the priorities of the “Anti-Corruption National Strategy” is prevention of corruption in sport. Along with the activities aiming at the fight against manipulation of sports competitions, the “Anti-Corruption Action Plan 2017-2018” includes activities that aim to promote good governance in sport organisations, namely: supporting implementation of good governance principles by sports organisations and development of the system.

Incorporation of sport integrity issues into the Anti-Corruption Strategy and the Action Plan could be linked to the recommendations elaborated by the EPAS Consultative Committee visit to Georgia in 2014 and the political commitment of the Georgian Government that signed (18 September 2014, Macolin/Magglingen) Council of Europe “Convention on Manipulation of Sports Competitions”.

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4 Kazan Action Plan, Sixth International Conference of Ministers and Senior Officials Responsible for Physical Education and Sport (MINEPS VI), held in Kazan. 13-15 July 2017.
Charter. In the report, the team recommend to the Georgian authorities to define minimum standards on good governance, democracy, transparency and accountability for sport organisations and to monitor compliance with those standards from at least those sports federations benefiting from state’s support programmes (EPAS (2015)rev1).

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

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

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

**SPORT SYSTEM**

The situation of sport in Georgia reflects the situation of countries in transition. Since the beginning of the 90s, significant steps have been successfully achieved, to establish a new structure and organisation of the authorities, to organise the sports movement, to set new rules on the property and management of sport facilities, and to promote the development of civil society (EPAS(2015)rev1).

The public authorities in Georgia play an active role and are highly engaged in regulation of sport, especially on national level. The Constitution of Georgia states: “The state shall take care of the development of sports, establishing a healthy lifestyle, and engaging children and youth in physical education and sports” (Article 5, Social State). Referring to the types of sport policy systems described in VOCASPORS Research Group (2004, pp. 53-61) and Henry (2009) we could describe Georgian system as the “bureaucratic configuration”.

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

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

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

There are hundreds of sports organisations registered in Georgia\(^8\) (NAPR, 2018). MESCS cooperates only with 82 federations that are recognized (fulfil particular written criteria) by the Ministry. Being recognized means possibility of receiving public grants from the state. There are 56 out of 82 sports federations that are receiving public finances through the MESCS. The researcher was unable to find out any formal (written) rules or standards for recognition or distribution of public funds that are applied by the local municipalities with regard to regional federations or local sports clubs.

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

**GOVERNANCE-RELATED SPORTS POLICIES AND REGULATIONS**

There are 56 out of 82 recognised sport federations being funded from the state budget in Georgia through the Ministry of Education, Science, Culture and Sport (MESCS). The Ministry supports federations through a number of target programs, e.g.: “State’s support programme for rugby”, “State’s support program for mass sports development”, “Program for sports development” and etc. The number of programs and their budgets are solely depending on Governmental priorities and decision.

The full majority of the national sports organisations are significantly depended on public funds, the proportion of the state’s subsidies in their annual budgets may reach 80-95%.

In 2017, the state funds provided to sports organisations totalled\(^9\) GEL 124,085,000 GEL (≈41,362,000 EUR). In 2018, the Government expected to spend GEL 124,600,000.00 (≈41,534,000 EUR) with the aim of supporting sport development. The largest “receivers” of the state funding are Rugby Union, Basketball Federation, Football Federation, Judo Federation, Wrestling Federation, Aquatics Sports Federation and Handball Federation. The public spending on sport has been almost tripled since 2012. For the ease of reference, in 2017-2018 the overall state budget of Georgia came close to 12 billion GEL (≈ 4 billion EUR).

In 2015, the MESC (the then Ministry of Sport and Youth Affairs) introduced a set of measures to ensure rational distribution and efficient use of the state’s funds by sports organizations. To this end, “Council on recognition and funding of sport organisations” was established and _standards for distribution of grants for sports organisations_ were introduced. The Council, chaired by the Minister and supported by secretariat, is a consultative body which consists of 10 members, including representatives from executive and legislative authorities responsible for sport as well as national Olympic and Paralympic Committees. One of the key objectives of the body is to evaluate performance of sports organisations according to the pre-defined standards (criteria) and submit to the Minister joint proposal on amount of grant for a particular organisation. The funds are allocated in the Ministry’s budgetary program “Sports Development” and are available for all recognised federations.

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\(^8\) Business registry of entrepreneur/legal entities. Official website of the National Agency for Public Registry of Georgia (NAPR).

\(^9\) Georgia’s State Budget for 2017, 2018; Program code “Supporting measures for sport development”
The set of standards for distribution of grants, approved by the MESCS, incorporates 5 dimensions (clusters) that are a) social interest toward sport; b) popularity and traditions of sport; c) achievements, perspectives for success; d) Good governance; f) Engagement/participation. Each cluster is attributed with the standards/criteria to be applied by sport organisations. Application of the standards is evaluated by the Council (each calendar year in September-November) based on information provided by sports organisations. Depending on the extent of application of the principles, the state’s support for a next calendar year might increase or decrease.

The good governance dimension has a significant share of the overall evaluation of performance of sport organisations. It is worth to mention, that good governance criteria are also applied by the Council while considering applications for recognition of a sports organisation. Table 3 shows values (share) attributed to each dimension in overall evaluation of different types of sport organisations.

Table 3. Value of dimensions in evaluations process, set of standards for distribution of public funds

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

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

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

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

The strengths of the current approach are

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

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

• There is a need for elaboration of more detailed guidance and instructions on practical application of the principles of good governance. More incentives are needed to raise awareness of sports organisations on good governance;
• Lack of MESCS’s human resources for ensuring in-depth analysis of good governance applications by sports federations; While performing evaluation the MESCS mostly rely on the information provided by the federations, this raise concerns about objectivity of data;
• Lack of external control or monitoring over applications of good governance criteria;
• Need for elaboration of clear principles and measurable indicators: current standards/criteria of good governance are very general by nature and create space for different interpretation by sports federations, sometimes interpretations are contradictory and bringing confusion between stakeholders. There is an urgent need to elaborate very clear good governance principles and attribute them with measurable dichotomous indicators for more unbiased evaluation;
• In most cases, sports organizations draft activity reports and elaborate long-term actions plans just in order to fulfil requirements under the good governance dimension. There is a lack of understanding about the importance of having and implementing strategic documents from sports organizations. This could be supported by an example - while performing NSGO research, all of the targeted federations have submitted annual reports and strategic developments plans to the MESCS, but none of them had publicized the documents on their websites or distributed among internal community; another example is that none of the federations exercise monitoring or evaluations of the activities under the action plan, in most cases there are no budgets defined for the actions;
• The system lacks capacity building opportunities and resources for sports organisations in general. On the other hand, there are no supporting mechanisms (incentives) available for sports organisations wishing to advance and apply more criteria under the good governance dimension.
• Need for development and integration of good governance approach into the work of local municipalities. There is no demand for minimum standards of good governance for regional sports organisations benefiting from local authorities’ financial support.

Taking into account the Government’s commitment to promote good governance in sport and keen interest of the MESCS toward the NSGO project, it is expected that public authorities will take advantage of the present report and implement measures aiming at improving the current system.
METHODS

There are 82 sports federations that are recognised by the Ministry of Education, Science, Culture and Sport of Georgia. As it was laid down in the requirements of the NSGO project, compulsory 5 sports (athletics, football, handball, swimming, tennis) and their respective national organisations - Athletics Federations, Aquatic Sports Federation, Football Federation, Handball Federation and Tennis Federation were selected for analysis. The compulsory set was made by NSGO organizers in order to enable collection of comparative data. The sample is balanced, as it includes: two small-size, two mid-size and one large federations (See table 1).

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

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

Phase 2 (October-November). Collecting data and assigning the scores. The researcher conducted desk research in the form of studying publicly available documents of sports federations. On this stage, the researcher got Georgian Football Federation’s notice that the federation would not cooperate with the project. Despite the number of attempts and communication the GFF did not change its position, explaining that it is already participating in the UEFA-led good governance project.

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

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

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

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

RESULTS

The Figure 1 graphically summarises the NGSO results. The average score of the NSGO index in the five sports federations of Georgia is 21%, which corresponds to a “weak” label. Georgian federations score highest in the Democracy dimension – 36% (weak). In the Transparency dimension the NGSO score is 21% (weak), while Accountability (14%) and Societal Responsibility (12%) are classified as “not fulfilled”.

DIMENSION 1: TRANSPARENCY

Researched federations show ‘weak’ NSGO average scores – 21% for the transparency dimension. The federations primarily failed in publication of key documents, reports and internal regulations, whereas better results were gained in publication of statutes and sports rules.

- 80% of the federations publish their statues, while only 40% of them makes publicly available its sports rules;

- None of the federations publish internal regulations, multi-annual policy plans, annual activity and financial reports as well as agendas and minutes of the general assembly meetings on the website.

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

- 1 out of 5 federations publish public versions of minutes of the board decisions.

- None of the federations provide biographical information about individual board members, as well as none of them publish information on start and end date of the mandate of each member of the board.

- None of the organisations publish information on remuneration of the key officials.

Disclosure of both remuneration and the pay-setting process facilitates external monitoring and therefore generates a powerful deterrent (Geeraert, A. 2018)

- All federations (100%) provide agenda and the minutes of the general assembly meetings to its internal stakeholders via email. Most of the federations (60%) use this method of communication to provide internal stakeholders with internal regulations, while minutes of the board meeting were provided only by 1 federation.

- None of the federations report on activities of the standing committees.

- None of the federations have formal procedures in place that ensure adequate internal reporting within the framework of the annual report.

A lack of such procedures increases the risk for key information to be unavailable when the annual report is produced. (Geeraert, A. 2018)

- There is lack of availability of information about affiliated clubs and athletes. 40% of the organisations’ websites list information about the number of affiliated clubs. Only 1 out of 5 federations publish basic information about affiliated clubs, while none of the federations publish number of affiliated athletes.
DIMENSION 2: DEMOCRATIC PROCESSES

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

- All federations have procedures for the appointment and reappointment of the members to the board.
- All federations have election rules on people qualified to vote; the majority or percentage needed to win the election and, where applicable, weighting of votes; quorum; and election rounds.
- In all federations, the general assembly directly elects the majority of members to the board. Solid election rules increase the likelihood that elections are fair and competitive. In addition, when officials have to stand for election, they are motivated to act in the best interest of their constituents.
- Minority of federations (40%) has governing rules that ensure that elections take place on the basis of secret ballot.

Finally, secret ballots prevent elected decision-making board members from retaliating against member federations that did not vote for them.

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

- 1 out of 5 federations have a document establishing the desired profile (responsibilities, background, competences) of each board function and the same number has established the procedures for drawing up the agenda of the board.

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

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

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

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

A third issue impacting the performance of the board concerns the term limits, the majority - 80% of the federations implement term limits.

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

- None of the federations have formal policies for involving athletes, referees, coaches, volunteers, and employees in their policy processes.
- None of the federations adopt its multi-annual policy plan in consultation with athletes. A minority of federations consult coaches (1 out of 5 organizations), and employees (60%) when producing the multi-annual policy plan.
- Only 1 out of 5 federations formally ensure the formal representation of athletes and coaches.
- In a majority of the federations (60%), however, referees are formally represented.
- None of the organizations have formal representations of volunteers and employees.

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

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

- No federation has a formal policy that aims at encouraging equal access to representation for women and men in all stages of the decision-making process.
- No federation implements gender sensitive procedures for identifying candidates for positions awarded as part of human resources policies.

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

**DIMENSION 3: INTERNAL ACCOUNTABILITY AND CONTROL**

Internal accountability and control procedures are not fulfilled by the Georgian sports federations, NSGO average score is 14%. On certain aspects, internal control procedures and practices are “good” and in other areas, however, there is significant room for improvement, meaning that internal learning processes and risk control relating to power imbalances, abuses of power, and unethical conduct are sub-optimal or non-existing.

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

- Statutes/internal regulations of only 1 out of 5 federations ensures, that the general assembly approves a multi-annual and annual policy plans;
- In 60% the statutes or internal regulations establish that the general assembly must approved the annual budget and the financial statements (40%). None of the federations approves annual budget based on the long term financial planning.
- In a minority of the federations (1 out of 5), members of the board do not have voting rights in the general assembly.

Premature resignation procedures is the principle where majority of the federations take action.
• 60% have established general procedures for premature resignations of board members. In 60% the general assembly has to vote on this issue.

• Concerning the principle of conflict of interest, only 1 out of 5 federations has defined in its statutes those circumstances in which, due to a serious conflict of interest, a person is ineligible to serve as a member of the board.

• 60% of the federations does not include acting national politicians.

The scores of the federations regarding clear governance structure according to the principle of separation of powers varies from “week” to “very good”.

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

Supervision of management scores low in the relevant indicators:

• Only 1 out of 5 federations has regulations that outline responsibilities and competences delegated to management
• None of the federations have regulations that establish regular reporting by the management to the board as well as regulations establishing requirements for annual appraisal meetings with participation of board and the management;
• Remuneration of management is determined by the board in 60% of the surveyed sports organisations.

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

• None of the federations’ boards have a document outlining an annual meeting schedule.

Principles related to code of conduct of the board members are not fulfilled (0%) by the federations.

A similarly picture applies to rules and procedures intended to minimise conflicts of interest.

• None of the federations establish procedures regarding conflict of interest;
• Only 1 out of 5 federations has conflict of interest procedures that guarantee that the members of the board may not participate in the vote about decisions in which they have conflicting interests.
• 1 out of 5 federations defines in their statutes those circumstances in which, due to a serious conflict of interest, a person is ineligible to serve as board members.
• In a majority of the federations (80%) sponsors cannot serve as board members and in all federations (100%), members of an internal judicial body do not serve as board members.
On average, the Georgian sports federations poorly implement basic financial control mechanisms.

- Only 1 out of 5 federations has a system in which (significant) financial transactions are periodically reviewed. The same number (1 out of 5) has a financial threshold for contracts with external parties which establishes when the board must take the decision.

**DIMENSION 4: SOCIETAL RESPONSIBILITY**

The Georgian federations received the lowest NGSO score, in average, in the societal responsibility dimension – 12% (‘not fulfilled’).

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

- None of the federations implement policies on promotion of the dual career of athletes.
- None of the federations have a formal policy that outlines objectives and specific actions aimed at combating match-fixing and discrimination in sport.
- 40% of the organisations undertake actions aimed at raising awareness for discrimination issues.
- None has formal (written) policy that outlines objectives and specific actions aimed at combating sexual harassment in sport, apart none of the federation undertakes actions aiming at raising awareness for sexual harassment issue.
- Only 1 out of 5 federations has a formal (written) policy that outlines objectives and specific actions aimed at promoting gender equality in sport
- None of the federations undertake actions aimed at promoting environmental sustainability.

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

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

- 2 out of 5 federations undertake actions aimed at raising awareness for anti-doping rules and implement formal procedures establishing its cooperation with the National Anti-Doping Authority.

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

- While none of the federations have a formal (written) policy on mitigating the health risks, only 1 out of 5 has a designated staff member who is responsible for all matters regarding the health risks, 2 out of 5 federations undertake actions aimed at informing athletes of the specific risks associated with sport and 40% undertake actions aimed at preventing specific risks associated with the sport.

In the societal responsibility dimension, Georgian federations achieved the highest ‘good’ score in promoting sport for all, namely:
• 80% of the federations undertake actions aimed at promoting sport for all
• 60% do cooperate with other organisations with a view of promoting sport for all
• 2 out of 5 federations have a formal (written) policy that outlines objectives and specific actions aimed at promoting sport for all.

DISCUSSION AND POLICY IMPLICATIONS

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

Georgian federations score highest in the Democracy dimension – 36% (weak). In transparency dimension the NGSO score is 21% (weak), while Accountability (14%) and Societal Responsibility (12%) that are classified as “not fulfilled”.

Within the transparency dimension, all but one of the federations publish their statutes, while only 2 out of 5 make available the sporting rules. Based on the requirements of the Ministry responsible for sport, all the federations have elaborated multi-annual policy plans, including annual activities and they do produce annual activities reports to be applied to the Ministry. But despite the existence of the mentioned documents, none of the federations publish them on their websites. There is lack of availability of information about affiliated clubs and athletes and none of the federations publish number of affiliated athletes. Agendas and minutes of the general assembly meetings are also missed.

At the same time, all the organisations do provide agenda and the minutes of the general assembly meeting directly to its internal stakeholders. Implementation of this indicator by all the organisations is closely related to the provision of the Civil Code of Georgia, which set the rules for convocation of the general assembly of non-commercial organisations.

Concerning the democratic processes, the Georgian sports organisations score below average, although this was the highest average of the four-dimension score. The range of scores was wide, with federations scoring both the highest and lowest possible score. On average, the federations score “very good” in the two principles related to the democratically (re-)appointment of the board members as well as to the representation of all affiliated members at general assembly. An average “good” score in this dimension is gained for the principles that relate to establishment of a quorum for the board and the general assembly as well as to ensuring participation of employees in policy processes.

Implementation of certain principles within the democratic dimension is closely interrelated to the acting Civil Code of Georgia. The code sets minimum requirements to the statutes of the non-commercial organisations that seek registration in public registry. Specifically, the Code requires that the statutes should define and indicate: (i) supreme governing body (general assembly), its functions, meeting intensity and quorum for decision-making; (ii) rules for establishment of and running executive board as well as its term-limits and quorum for decision-making; (iii) information of the board members (date of birth, home address, id number); (iv) criteria and rules for accepting new members, termination and expelling members (if organisation is based on the membership).

On average, the Georgian sports federations do not have democratic practices and procedures in place that enhance diversity and competence of the board. Another significant shortcoming in the democracy dimension is the lack of participation of internal stakeholders in the policy process. This entails a
number of risks. It decreases the likelihood that policies are effective, because the targets of the policies did not have the opportunity to give specialised input and lack ownership of the policies.

The federations do not take adequate action to ensure gender equality. No federation has a formal policy that aims at encouraging equal access to representation for women and men in all stages of the decision-making process.

**Internal accountability and control** procedures are “not fulfilled” by the sports federations. There is a significant room for improvement, meaning that power balances and control of unethical conduct are sub-optimal. In many cases federations failed to meet basic indicators of good governance, such as: (i) implementation of financial control system, (ii) performance evaluation of the board, (iii) recognition of a code of conduct applicable to the members of the board, management and personnel, (iv) clear conflict of interest procedures, (v) procedures for the processing of complaints in the internal regulations; (iv) absence of internal and external mechanisms for contention of decisions.

However, there are number of principles in this dimension, where the federations scores varies from “week” to “very good”, namely: all federations have defined key positions on the board by statutes, in most cases, the federations establish that the board has final authority over the organisation’s budget and finances. On average, the Georgian sports federations only implement basic financial control mechanisms to a limited degree.

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

**CONCLUSION REMARKS**

Even with some regulation and effort of the public authorities to promote good governance in sport, the Georgian federation still have a long way to improve their good governance. After 3 years since the Government introduced the new system of distribution of state’s grants, that incorporates good governance standards, we can assume that the system should be further developed and improved.

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

- Public authorities should elaborate detailed guidance and instructions on principles of good governance and their practical application by sports federations;
- Public authorities should elaborate clear principles and measurable indicators for good governance. Current criteria of good governance (introduced by the Ministry responsible for sport) are very general by nature and create space for different interpretation by sports federations, sometimes interpretations are contradictory and bringing confusion between stakeholders. There is an urgent need to elaborate very clear good governance principles and attribute them with measurable dichotomous indicators for more unbiased evaluation;
- Public authorities and other stakeholders should ensure implementation of actions to raise awareness of sports organisations on good governance;
Public authorities and other stakeholders should develop their human capacities with regard to good governance in sport;

Public authorities should introduce external monitoring system to oversee and evaluate application of good governance standards by sport organisations getting state’s funding;

Public authorities should support and promote implementation of good governance approach on local level (municipal authorities providing financial support to sports organisations);

The stakeholders should allocate resources for sport organisations wishing to advance and apply more criteria under the good governance dimension.

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