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Football governance: business and values

Report¹
Committee on Culture, Science, Education and Media
Rapporteur: Lord George FOULKES, United Kingdom, Socialists, Democrats and Greens Group

Summary

Football plays a key role in conveying fundamental values. Its economic success is to be welcomed. Business must not, however, take precedence over values. Promoting human rights must always be the force driving the major umbrella organisations' actions. Countries bidding to host major football competitions must respect human rights and staging competitions must contribute to real and lasting progress in this field. Both protecting under-age players and promoting gender equality should be priorities for all levels of football organisations. A greater proportion of available resources should be allocated to measures to achieve these goals, including equal pay and rewards for women's teams.

The committee encourages the initiatives that contribute to creating a safer environment for children and teenagers and fully supports the project to set up a Safe Sport entity to deal with cases of abuse in sport. It expresses concern about increasing disparities and blatant financial excesses, and it urges more solidarity within the football system.

It calls on the Council of Europe member States to recognise FIFA's competence to regulate at global level the football transfer system, including the adoption of rules seeking to ensure protection of minors, the transparency of financial flows linked to transfers and a sound framework for the access to and exercise of the profession of agent or intermediary. It firmly opposes the European Super League project and calls for abandoning the idea of a football World Cup every two years.

¹ Reference to committee: [Doc. 14447](#), Reference 4357 of 22/01/2018.

A. Draft resolution²

1. The Parliamentary Assembly underlines the important role played by sport in general and football in particular in conveying values that are essential for social cohesion and living together, and in promoting well-being and social advancement. Football has changed in many ways and it is only natural that it should continue to do so. It has become a major industry involving huge sums invested in infrastructure, broadcasting rights, sponsorship, merchandising, equipment sales, gaming and sports betting, etc. Football's economic success, particularly that of European football, is to be welcomed. Business must not, however, take precedence over values: football and sport should not be reduced to money-spinning entertainment, and sports governance should continue to be rooted in promoting human rights. Upholding such standards must always be the force driving the major umbrella organisations' actions, starting with the sporting events they stage.
2. Countries wishing to host major sports events must be prepared to assume stringent obligations in various fields and meet them effectively. For example, their development projects related to sports events (construction or renewal of sporting, accommodation, communication and transport infrastructure, etc.) and the planning of the corresponding investments must comply with the criteria of economic, social and environmental sustainability. They must also ensure the safety of all sports equipment and the security of the national and foreign audience attending the events, and of people leaving or moving within the areas where they take place. Likewise, all bidders for major international sport events, such as FIFA and UEFA competitions, must commit in concrete terms to ensuring compliance with key human rights standards.
3. The Assembly notes that collaboration between host countries, the relevant international sports federations and human rights organisations can yield valuable results. This was undoubtedly the case in Qatar. The Assembly commends the efforts of FIFA which played a role in getting the labour law reform process under way in Qatar and the work of the International Labour Organisation (ILO), the international trade union movement and non-governmental organisations operating in Qatar. The Assembly also commends the Qatari authorities for making real advances in this field. The Assembly cannot, however, express its full satisfaction, as the situation of workers in Qatar remains worrying and the number of tragic accidents continues to run into the hundreds. The reforms need consolidating to ensure that all economic operators in the country comply with the new rules, and efforts to solve the issue of unpaid wages and to improve working conditions for all workers must continue.
4. In addition, the Assembly cannot ignore the harsh working conditions experienced by workers in Qatar since the country was chosen to host the 2022 FIFA World Cup, and the thousands of work-related injuries, including fatal ones, during this period (although not all of these were related to World Cup construction sites). Compliance with ILO's core labour standards should be a prerequisite for being a credible candidate and not a target to reach after being chosen to host the FIFA World Cup or any another major sporting event.
5. Workers' rights are not the only ones that need to be taken into account. The Assembly welcomes the steps taken by FIFA and UEFA in response to its request to include human rights compliance in the commitments that countries bidding to host major football competitions must enter into, but current regulations must also be supplemented and tightened.
6. Requiring that the hosting and staging of the competition and any legacy and post-event related activities do not involve adverse impacts on internationally recognised human rights is not enough. Firstly, bidding countries must provide a minimum level of guarantees of respect for human rights, or at least some specific rights, for their bids to be considered. For example, the Assembly considers that any country where women do not have the right to participate freely in sport or where there is clear discrimination in their access to sport should simply be disqualified. Secondly, staging competitions must contribute to real and lasting progress in the field of human rights.
7. The Assembly is fully aware that this is a sensitive issue and that sport must remain politically neutral but believes that strict rules on human rights compliance are coherent with such neutrality and even strengthen it. The Assembly stands ready to continue working with its partners to find realistic and balanced solutions together.
8. The Assembly considers that both protecting under-age players and promoting gender equality, as well as fighting discrimination on any grounds, should be priorities for all levels of the wider sports movement and of football organisations in particular. A greater proportion of available resources should be allocated to measures to achieve these goals.

² Draft resolution adopted unanimously by the committee on 2 December 2021.

9. With regard more specifically to protecting minors, the Assembly welcomes the regulatory developments and concrete initiatives developed by FIFA and UEFA. In particular, it welcomes the rollout of the FIFA Guardians™ programme and the toolkit produced with the help of experts from the Council of Europe and UNICEF, among others, and the *safeguarding.eu* digital platform launched by UEFA in collaboration with the Terre des hommes Foundation. These are all initiatives that can make a real contribution to creating a safer environment for children and teenagers who play football.
10. Sexual abuse is unfortunately a reality in sport; so is impunity within the highest ranks of several sports associations and clubs. The Council of Europe has mobilised efforts to tackle the problem. The *Start to Talk* initiative calls on member States to take three types of action which it helps them to develop through support packages comprising a set of tools. The Enlarged Partial Agreement on Sport (EPAS) is launching pilot projects to establish networks of child welfare officers in sport under its Child Safeguarding in Sport (CSiS) scheme. This module will likely be added to the *Start to Talk* scheme. To date, about 20 Council of Europe countries are using the Organisation's tools. The Assembly hopes that the remaining member States will take steps to get involved in this initiative.
11. Both the sports movement and the public authorities must make much greater investments in this area. The Assembly therefore welcomes the idea (discussed in the context of the EU social dialogue committee by UEFA, ECA, the European Leagues and FIFPRO) of setting up a European research project to map existing standards for the protection of minors in elite academies and for identifying potential gaps with regard to the rights of the child.
12. The Assembly is also following with great interest a project (which FIFA is considering with other partners) to set up a Safe Sport centre or agency: a multi-sport, inter-institutional and inter-governmental body to deal with cases of abuse in sport, providing a pool of services and expertise that could assist all stakeholders to eradicate abuse in sport, putting the needs of victims first. The Assembly fully supports this project and hopes that all governments will make a commitment to ensuring it can be implemented quickly.
13. The Assembly is convinced that sport plays a pivotal role in promoting gender equality since its symbolic value and the messages that it conveys are so powerful. This is particularly the case for football with its hundreds of millions of (male and female) fans in all four corners of the earth. Accordingly, the Assembly, while welcoming the progress that has already been made in this field, considers that stakeholder action in this area should be further enhanced, including in terms of greater financial solidarity between men's and women's football, and given a higher profile.
14. In the current context marked by the damage wrought by the Covid-19 pandemic, including in the world of sport in general, the Assembly believes that it is time to give thorough consideration to measures that can help redress the most glaring imbalances in the football ecosystem. Financial disparities between clubs and leagues are to some extent inevitable; they also depend on each country's specific socio-economic situation and the diverging scale of their media markets. The Assembly is, however, concerned about football's polarisation and increasing disparities, as well as some blatant financial excesses, and it calls for more solidarity within the football system. It believes that the principle of open competitions must be preserved, considers that UEFA should remain the entity responsible for the organisation of the European club competitions and firmly opposes the European Super League project.
15. The Assembly attaches great importance to the reform of the transfer system – including new regulations on agents – undertaken by FIFA in co-operation with other stakeholders, and is convinced that the main objectives underlying this reform are justified: ensuring transparency of financial flows; reducing contractual instability and speculation while also setting reasonable limits on the sometimes exorbitant agents' fees; strengthening redistribution in favour of training clubs; and providing better protection for minors to prevent exploitation.
16. The Assembly is aware that the competence of FIFA to regulate the profession of agent or intermediary in the world of football is controversial. Nevertheless, the interests at stake call for uniform regulations at the global level to avoid distortions on the international transfer market; for the Assembly, FIFA is entitled to adopt such regulations, provided that the constraints and limitations established therein are reasonable and do not go beyond what is necessary to protect the legitimate interests in question.
17. The Assembly questions the advisability of the plan currently under consideration by FIFA to hold the World Cup every two years. It considers that such a change would have disastrous consequences for European football, which is why both UEFA and the European Leagues are strongly opposed to the project. It could also harm the entire sports ecosystem by making the two main global sporting events – the World Cup and the Olympic Games – vie for media coverage and therefore also financial support.

18. The Assembly is closely monitoring the rollout of UEFA's new format for club competition and would like to see it improve the revenue redistribution system. The Assembly is also interested in the ongoing discussion on reforming financial fair play rules which should continue to promote sound management of club finances and help improve competitive balance.

19. Despite the heavy financial losses incurred during the health crisis, the football industry is poised to bounce back more quickly than other sectors and, in the Assembly's view, the sport has a valuable role to play, particularly at grassroots level. It is crucial that clubs, according to their means, and fans join forces to revive local socio-economic systems and build their resilience through social responsibility programmes, which need reinforcing. Despite the fallout of the crisis, this could be an opportunity for football to forge even stronger ties with communities and let players, fans and their associations play a more important role, including by increasing their involvement in decision-making processes as part of more inclusive football governance at all levels.

20. The Assembly therefore calls on FIFA and UEFA to review the conditions that countries bidding to host major football events must meet in terms of safeguarding human rights and to provide for, if they do not already:

20.1. a thorough, contextual human rights compliance assessment as one of the key criteria for accepting any country's bid; this assessment should be based on up-to-date reports from the relevant international institutions and/or independent non-governmental organisations recognised for their competence in the field; in the case of Council of Europe member States, reports and analyses by the Organisation's monitoring bodies on compliance with key human rights standards should be taken into account;

20.2. the requirement to comply with predetermined minimum standards on, for example, workers' (including migrants') rights, gender equality (including in sport, but also elsewhere), protecting athletes of minor age from sexual abuse and all forms of violence, combating discrimination in sport and safeguarding fundamental civil and political rights, in particular freedom of expression – including media freedom – and freedom of peaceful assembly, both as regards staging the competitions in question and otherwise;

20.3. identifying, as part of the thorough assessment, the measures required to meet the minimum standards set out above, with a timetable for implementation which countries should adhere to for their bids to be considered, and a human rights action plan which countries must pledge to follow if they win the bidding process; as regards workers' rights, the ILO's role should be systematically highlighted and host countries should commit to co-operating with the ILO to draw up and carry out the necessary reforms;

20.4. the binding nature of these commitments not only by national associations but also – and especially – by host countries' governments, given their role in ensuring respect for human rights by all public bodies and by any private operator under their jurisdiction involved in organising the event in question;

20.5. setting up effective mechanisms for monitoring compliance with the commitments made, including specific procedures for regular assessment by independent external stakeholders of the responses to human rights risks involved in staging the event, as well as mechanisms for direct dialogue with the public authorities of the host countries to analyse and solve any problems;

20.6. the accessibility of effective remedies in host countries, with independent bodies empowered to investigate, punish and redress any human rights violations;

20.7. appropriate penalties imposed on host countries and their national associations in the event of failure to comply with the commitments made or to implement follow-up measures required by monitoring bodies.

21. With regard to the protection and human development of minors, the Assembly:

21.1. calls on the IOC and all international sports federations, as well as national sporting bodies, to join FIFA in setting up a Safe Sport centre or agency which is financially viable and can operate with the collaboration of sporting bodies and public authorities so as to jointly combat cases of abuse in sport and help the victims of such abuse;

21.2. encourages UEFA, ECA, the European Leagues and FIFPRO to continue their European research project on existing standards for the protection of minors in elite academies and for identifying potential gaps with regards to children's rights in football;

21.3. calls on FIFA, UEFA, ECA, the European Leagues and FIFPRO to strengthen the elements of their programmes aimed at young players' education and human development and urges them to work together to foster efforts in this regard by national football associations.

22. With regard to gender equality, the Assembly calls on FIFA and UEFA to:

22.1. encourage, including through the adoption of more stringent provisions, their member associations to enshrine rules in their statutes to ensure that the composition of their executive boards and standing or ad hoc committees includes a number of women at least proportional to the number of female members registered, with a quota of at least 25% of seats reserved for women; compliance with this minimum quota – which should be gradually raised to 40% within a reasonable timeline – should be made a prerequisite for receiving development funds;

22.2. promote equal pay and rewards for national team players of any gender by the respective national associations;

22.3. further strengthen development schemes in women's football and training programmes to promote women's leadership at national level and increase the number of female coaches and referees, in collaboration with national associations;

22.4. step up their efforts to counter sexual harassment and gender discrimination by reinforcing liability of their member associations in this respect and by developing, where appropriate, targeted projects in collaboration with associations in countries where these problems are more prevalent.

23. With regard to the reform of the transfer system, the introduction of FIFA's clearing house for international transfers and regulations on football agents, the Assembly:

23.1. calls on the Council of Europe member States to recognise FIFA's competence to regulate at global level the football transfer system, including the adoption of rules seeking to ensure protection of minors, the transparency of financial flows linked to players transfers and a sound framework for the access to and exercise of the profession of agent or intermediary, also with a view to avoiding conflicts of interests and exorbitant fees, provided that the constraints and limitations established by these rules are reasonable and do not go beyond what is necessary to protect the legitimate interests at stake;

23.2. asks FIFA to take due account of the opinion of the Council of Europe Group of States against Corruption (GRECO) on the reform project and encourages FIFA to continue its collaboration with GRECO;

23.3. stresses the importance of ensuring the transparency of all financial flows related to international transfers and calls on FIFA and other stakeholders to agree that not only commissions but also all agents' services fees related to international transfers should gradually be processed through the clearing house system and that agents and their activity should be subject to compliance assessment procedures; in this context, the system should include enforceable obligations to provide accurate data and the power to investigate and fittingly punish any failure to comply with such obligations, while ensuring robust personal data protection;

23.4. with a view to also ensuring the transparency of financial flows related to national transfers, calls on the relevant stakeholders to agree to set up, alongside the FIFA clearing house system, national clearing houses, which should operate according to the same standards so as to ensure uniform data collection and analysis;

23.5. urges FIFA and all stakeholders to reach a balanced agreement that respects the right of agents to be remunerated in a manner commensurate with the services they provide to clubs and players, but prohibits excesses and caps agent fees by establishing a maximum percentage of the gross transfer price and/or wages that these fees may not exceed and an absolute limit on the total sums that may be paid to the agent of the releasing club for a transaction;

23.6. calls for an increase in the training compensation paid to clubs in the event of transfers and proposes that the overall amount of such compensation should be determined so as to be at least equal to the amount of the agent's fee paid by the club releasing the player.

24. With regard to transfers of minors, the Assembly calls on FIFA to:

24.1. maintain, for international transfers, the general prohibition of Article 19 of the Regulations on the Status and Transfer of Players and to postpone the possible extension of the exception concerning players aged between 16 and 18 years, currently limited to the EU/EEA, in particular to prevent this from increasing the risk of exploitation;

24.2. ensure that, in all cases, transfers of minors are subject to very strict conditions, compliance with which by the national associations and clubs must be verified before granting transfer authorisations; national associations and clubs should commit to ensure at least:

24.2.1. effective protection of all players of minor age against any form of exploitation and abuse;

24.2.2. the effective provision, by the clubs to the minor-age players they register, of a stable environment not only for professional (football) development, but also for education and/or vocational training, and adequate health and social insurance benefits;

24.2.3. the stability of the contractual relation with the minor-age player at least until the end of the season of the player's 18th birthday;

24.2.4. general working conditions no less favourable than those of the other players of the club and not below the international ILO standards;

24.2.5. the assistance the minor player may need to find his or her place within the hosting local community;

24.3. draw up, in collaboration with the confederations and FIFPro, as well as with other partners and experts:

24.3.1. model provisions to be included in regulations of the confederations and/or of the national associations on monitoring mechanisms, effective remedies and the system of sanctions to uphold the protection of minor players;

24.3.2. a guide for transfers of minor-age players and their protection, including all relevant information, e.g. on risks of trafficking by fake agents and their phishing and scam practices on the Internet (as well as ways to detect and avoid them), official procedures for international transfers, standard rights and obligations of minor-age players and clubs, contact points at FIFA and confederation/national levels, etc.; this guide should be published on FIFA and confederations' websites, in the most common languages, and national associations should translate and publish it in their respective languages;

24.4. require, within the new regulatory framework for agents and intermediaries, specific qualifications for anyone wishing to represent minor-age players, in addition to those needed to obtain the professional licence, and to set up a public, centralised, international agent register listing all licensed agents authorised to represent minors, which would be made available via the FIFA website.

25. With regard to FIFA's current deliberations on whether to hold the World Cup every two years, the Assembly calls on FIFA not to take decisions that are potentially detrimental to European football and sport worldwide without the agreement of European stakeholders and the International Olympic Committee.

26. The Assembly invites UEFA to reconsider the criteria retained for allocating the UEFA Champion League prize money and to reduce the 10-year club coefficient (at present 30 % of the revenue) so that more resources could be given to solidarity redistribution, seeking to support youth training and education and the development of women's football.

27. The Assembly invites the European leagues to establish a solidarity fund, which could be fed by a small percentage of TV rights received at national level by the richest leagues; this fund could be designed to finance projects (including joint projects involving different leagues) in line with strategic development goals predefined

by the European leagues. In the context of recovery from the Covid-19 pandemic, such a fund could also be intended to support projects elaborated and implemented in collaboration with fans associations.

28. Finally, the Assembly call on all stakeholders to value institutional dialogue among themselves, ensure more inclusive decision making, encourage effective involvement of players' and fans' representatives in football governance at all levels, and reinforce collaboration and coordination of actions they implement to support football balanced development, also to avoid that resources available for solidarity be misused because of overlapping initiatives and duplication of efforts.

B. Draft recommendation³

1. The Parliamentary Assembly, recalling its Resolution ... “Football governance: business and values”, considers that sports in general and football in particular are powerful tools to uphold human rights and welcomes the attention paid by the Enlarged Partial Agreement on Sport (EPAS) and by the Council of Europe intergovernmental bodies to the human-right dimension of sports governance.
2. Unfortunately, human rights are also threatened within the sports world. The Assembly is particularly troubled by the fact that many high-profile cases came to light in recent years of child abuse across sports (including football) and around the world. Through its intergovernmental networks, the Council of Europe mobilised efforts to tackle the problem and the Assembly warmly commends the “Start to Talk” initiative.
3. The Ministers responsible for Sport, meeting via video-conference under Greek presidency, for their 16th Council of Europe Conference, in their Resolution No. 2 “Human rights in sport”, expressed their concerns with the human rights violations occurring in the context of sport, in particular (but not only) against children and women. The Ministers invited EPAS, where appropriate in co-operation with the sports movement and with other bodies, to engage with Council of Europe member states and the sports movement to promote children’s rights and implement child safeguarding policies; they also invited Council of Europe member states to integrate the protection of human rights in the design of sport policies and to use the Council of Europe standards and tools to enhance the protection of children’s rights in sport.
4. The Assembly considers that, on the same line, the Council of Europe and all its Member States should strongly support the project initiated by FIFA to establish a Safe Sport Entity, i.e. an independent, multi-sports, multi-agency international entity to investigate abuse cases in sports, providing trusted and accessible reporting lines for victims of abuse in sport, and to take prompt action to protect and care for them.
5. The Ministers responsible for Sport also acknowledged that the considerable economic interests tied to professional sport could prompt different actors, including intermediaries, to adopt negligent or fraudulent practices leading to human rights risks and abuses; the Ministers also denounced, in this respect, abusive practices observed in connection with the migration of athletes.
6. Having this in mind, the Assembly considers that it is fundamental to regulate at global level the football transfer system, including the adoption of rules seeking to ensure protection of minors, the transparency of financial flows linked to players transfers and a sound framework for the access to and exercise of the profession of agent or intermediary, also with a view to avoid conflict of interests and exorbitant fees. For the Assembly, FIFA is entitled to issue such regulations provided that, in implementing its regulatory powers, it strictly respects the proportionality principle and does not set constraints or limitations exceeding those required to protect the legitimate interests that the regulations are designed to safeguard.
7. The Assembly highly praises the cooperation framework that the Council of Europe established with FIFA and UEFA by signing memorandums of understandings with these partners. It believes that it could be useful to set up similar cooperation frameworks with other sports organisations which would be ready to uphold Council of Europe values and to engage in collaborative project development with the Council of Europe bodies.
8. Therefore, the Assembly recommends that the Committee of Ministers:
 - 8.1. arrange for the Council of Europe intergovernmental sector to assist with its expertise in the establishment and operation of a Safe Sport Entity and urge all Member States to engage with this project and commit to support the founding and the operation of this entity;
 - 8.2. encourage Member States to uphold FIFA efforts to regulate at global level the football transfer system, including the adoption of rules seeking to ensure protection of minors, the transparency of financial flows linked to players transfers and a sound framework for the access to and exercise of the profession of agent or intermediary, provided that the constraints and limitations established by these rules are reasonable and do not go beyond what is necessary to protect the legitimate interests at stake;
 - 8.3. seek to further enhance and possibly formalise Council of Europe co-operation with sports organisations willing to collaborate to enhance human rights protection and promote the effective implementation of relevant Council of Europe conventions.

³ Draft recommendation adopted unanimously by the committee on 2 December 2021.

C. Explanatory memorandum by the rapporteur, Lord Foulkes

1. Introduction

1. For many years, our committee has been encouraging football organisations to have a proactive approach to the protection of human rights.⁴ We must continue to work with partners to ensure that football governance strongly upholds our values. Therefore, the present report will take up three key human right related themes.

- develop sound cooperation between key football actors and public authorities, on the occasion of key sports events and beyond;
- strengthen the protection of minor players, in particular from sexual abuses and exploitation, and support the development of young players as persons and citizens (not only to enhance their professional skills);
- promote gender equality and the role of women in football, beyond the development of women's football itself.

2. In addition to the call for enhanced human rights protection, our previous report on “Good football governance” also denounced, among other pending issues in football governance, the financial excesses, which go hand in hand with growing inequalities.⁵ At present, football exists with too many wide gaps: between the professional football and the grassroots/amateur level and between the football elite – the richest leagues, clubs and players – and the others. With this widening gap (in terms of financial resources and, as a consequence, quality) the risk increases that football will be reduced to a mere aspect of show business, with genuine competition taking place only between a few major teams while others play only a minor role at best.

3. If we want to protect sports and football, sports and football governance should be aimed at reducing these gaps. There is a need for greater solidarity (and a more balanced distribution of resources) within the football system to ensure its greater stability. A second core area for consideration is, therefore, football's economic model. In this connection, the report looks at ways to avoid the socially unacceptable financial excesses, to preserve a fair and solidarity-based economic model, and to ensure greater solidarity between professional and amateur football, as well as a fair social return for the football-related financial outlay made by the public authorities⁶.

4. One problem linked to the above issues is the legal framework and in particular regulations on transfers, the status of agents and intermediaries, player ownership and the status and protection of players' rights. Indeed, shortcomings of the legal framework may facilitate abuses and excesses, contribute to inequalities and have an adverse effect on the promotion of sporting values.

5. In this respect, the report analyses the ongoing (FIFA lead) reforms of the transfer system, including agency. This is a pressing issue for all partners, and it acquires a new significance in the present context. In addition, a higher level of redistribution and maybe a redefinition of priorities in resources allocation should also consolidate the capability of the whole system to uphold other important aims, namely in the field of human rights protection. This is certainly key at European level; but I attach importance to sound foundations for a balanced distribution of resources also at a global level. FIFA regulations and development programmes have, therefore, a crucial role.

6. Reducing financial gaps and aiming at greater solidarity within the football system should be given a new significance in the present context: financial disparities and ways to progressively reduce them must now be considered within the framework of the disastrous consequences of the Covid-19 pandemic. We must consider further how football key actors (being the football organisations, clubs and media or business companies) could strike a different balance between self-centred money flows and community solidarity and could significantly reinforce corporate social responsibility and develop concrete programmes to uphold key values, and to help our societies to rise to the challenges that the pandemic obliges us to face. This choice also corresponds to the resolve to keep human rights at the centre of our analysis.

7. To reach the above-mentioned objectives, football stakeholders should work more closely with fans and their associations. Fans' – but also players' – involvement in football decision making within the different

⁴ See the report on “[Good football governance](#)”, adopted on 15 December 2017.

⁵ This problem prompted Ms Anne Brasseur to table the motion for a resolution ([Doc. 14447](#)) from which this report stems.

⁶ States cover significant costs in relation to football. The public and the media are especially interested in the financial commitment entered into when major competitions are held, but the football-related financial outlay by local and national authorities goes beyond that. These costs, which are ultimately borne by the taxpayer, seem to benefit a limited number of economic stakeholders more than the communities.

governance settings (at local, national, European and international levels) is a question that has not been really dealt with by previous Assembly reports on football governance. Giving fans and players a stronger voice and fostering their active involvement in football governance can also help develop community outreach and reinforce social responsibility. Therefore, the report touches upon this question too.

8. Finally, FIFA and UEFA have institutionalised and strengthened their co-operation with the Council of Europe (as they are also doing with other organisations) within the framework of the Memorandums of Understandings that they have signed with our Organisation. I believe we should seek to reinforce and widen this co-operation with FIFA and UEFA, and also to develop collaboration with other stakeholders, with the aim to act together more effectively to solving problems.

9. For this reason, I have involved our traditional partners and some new ones in the various stages of preparation of this report and I thank them for their constructive collaboration. I am referring not only to their contribution to the hearing that our committee held on 4 December 2020,⁷ but also to the online meetings that I had with our partners⁸ and to the many exchanges of information that took place with them, since early 2020, through the Secretariat of the committee. I cannot forget, moreover, the valuable contribution of the experts who took part in our work⁹ and of our institutional partners from the Enlarged Partial Agreement on Sport (EPAS).¹⁰

2. Human rights protection and the organisation of major sports events

2.1. *The question of human rights respect and, in particular, of decent working conditions for all workers in Qatar*

10. Qatar 2022 is drawing closer. During the first 6 months of 2021, calls for a boycott of this controversial World Cup have contributed once again to put the issue of the working conditions in this country under the spotlight, also following an article by the Guardian according to which more than 6,500 migrant workers from India, Pakistan, Nepal, Bangladesh and Sri Lanka have died in Qatar during the period 2011–2020.¹¹

11. The Parliamentary Assembly, in its Resolution 2053 (2015) “The reform of football governance”, called on FIFA to urgently request the authorities of Qatar to “take without delay all necessary measures to secure

⁷ On 4 December 2020 by videoconference, the committee held a hearing which was livestreamed direct to the PACE web site, with the participation, among others, of Mr Charlie Marshall, Chief Executive Officer ECA; Mr Jacco Swart, Managing Director of European Leagues; Mr Giorgio Marchetti, Deputy General Secretary, UEFA; Ms Joyce Cook, Chief Social Responsibility and Education Officer, FIFA; Mr Jonas Baer-Hoffmann, General Secretary FIFPro; and Ms Antonia Hagemann, Chief Executive Officer, Supporters Direct Europe. The minutes of this hearing are published here.

⁸ I held meetings by videoconference:

- on 8 September 2020, with Mr Alasdair Bell, Deputy Secretary General of FIFA, and with FIFA experts;
- on 9 December 2020, with Ms Joyce Cook, Chief Social Responsibility and Education Officer, FIFA, and with FIFA experts;
- on 8 April 2021, with Mr Gianni Infantino, President of FIFA, and with FIFA experts;
- on 9 April 2021, with Mr Jonas Baer-Hoffmann, General Secretary of FIFPro, and with FIFPro experts;
- on 7 May 2021, with Mr Charlie Marshall, CEO of the ECA, and with ECA experts;
- on 10 May 2021 with Mr Aleksander Čeferin, President of the UEFA, and with UEFA experts;
- on 7 June 2021, with Mr Alasdair Bell, Deputy Secretary General of FIFA, and with FIFA experts;
- on 15 September 2021, with Ms Antonia Hagemann, Chief Executive Officer of *Supporters Direct Europe*; Mr Ronan Evain, Chief Executive Officer *Football Supporters Europe*; and Ms Joanna Deagle, Managing Director of *Centre for Access to Football in Europe*;
- on 15 September 2021 and on 17 November 2021 with Mr Christian Rapp, Executive Vice-President of *The Football Forum* (TFF), Mr Hermann Schlindwein, legal counsellor of TFF and Mr Daniele Boccucci, Director of TFF;
- on 19 November 2021, with Mr Max Tuñón, Head of the International Labour Organization (ILO) Project Office for the State of Qatar.

⁹ On 5 December 2019, in Paris, the committee held a hearing with the participation of Mr Alan Tomlinson, Professor of Leisure Studies at the University of Brighton, United Kingdom, who also presented a preliminary expert report to us; Mr Miguel Poiaras Maduro, Director of the School of Transnational Governance, European University Institute, Fiesole (Florence), Italy; and Ms Sylvia Schenk, Chair of the Working Group on Sport at Transparency International Germany.

¹⁰ Mr Stanislas Frossard, Executive secretary of the EPAS, DGII-Directorate General of Democracy, Council of Europe, participated at both hearings of 5 December 2019 and of 4 December 2020.

¹¹ See at: <https://www.theguardian.com/global-development/2021/feb/23/revealed-migrant-worker-deaths-qatar-fifa-world-cup-2022>. It is an overall figure and only a part of these deaths are directly linked with workplace accidents (not necessarily on FIFA World Cup construction sites, however). Poor working conditions might also be a concurrent factor for deaths for illness or suicides. I also wish to mention here a report published by the ILO on 19 November 2021: *One is too many: The collection and analysis of data on occupational injuries in Qatar*. It presents an in-depth analysis of work-related deaths and injuries in Qatar in 2020, the processes through which data is collected, and how the current processes can be improved. See at: https://www.ilo.org/beirut/projects/qatar-office/WCMS_828395/lang-en/index.htm.

respect for the fundamental rights of all foreign migrant workers employed in their country” (§ 13.2.1.) and to “co-operate with the International Labour Organization (ILO) in verifying the effective observance of these rights by both public and private enterprises operating in Qatar” (§ 13.2.2).

12. While we could regret that FIFA eventually decided not to repeal its decision of 2 December 2010, as our Assembly had requested,¹² our report on “Good football governance” (adopted on 15 December 2017) acknowledged the concrete initiatives taken by FIFA to respond to the PACE calls concerning working conditions in Qatar. Our rapporteur, Ms Anne Brasseur (who did not hesitate in highlighting some pitfalls in the FIFA governance system) sincerely commended these initiatives (see in particular §§ 60 to 62). PACE Resolution 2200 (2018) “Good football governance” nevertheless recommended that FIFA “encourage the Qatari authorities to ensure that the worker welfare standards applicable to workers employed at the 2022 World Cup construction sites apply to all workers” (§ 11.1.1.)

13. In this respect, FIFA’s efforts but also the great work of the ILO¹³, of the international trade union movement and of other organisations active in Qatar are to be praised. There is no doubt that the labour reform agenda in Qatar has reached many key milestones and had a direct and positive impact on workers. Among the most important results, Law n° 18 of 2020 removed the need for migrant workers to obtain their employer’s permission to exit the country or to change jobs (thus removing the most problematic aspects of the so called “kafala” system) and established, for the first time in the region, a non-discriminatory minimum wage. The Wage Protection System (WPS), which has been introduced in 2015 to monitor the payment of workers’ wages, has contributed to reduce wage abuses and help resolving wage disputes. A national policy on Occupational Safety and Health (OSH) has been adopted; since May 2021, new rules has enhanced workers’ protection against heat stress. The major reforms also apply to domestic workers; after the adoption in 2017 of a new legislation protecting their rights, domestic workers now benefit from an improved standard contract adopted in 2021. Qatari labour legislation provides today new models which could be helpful to other countries with large migrant populations, in the Middle-East and beyond.

14. It is also important to recognise the Qatari Government’s engagement in cooperation with partners¹⁴ and in ensuring transparency¹⁵. The commitment to dialogue and to transparency by the Government of Qatar is in itself an important step forward. It is important that this transparency and communication continue on the progress made and on the remaining challenges.

15. While the achievements in Qatar’s labour reform agenda are laudable, there is still much to be done. Statistics show that football is fostering improvements, but the reform is faced with implementation challenges: non-payment of wages remains a serious concern and new rights (e.g. in relation to working hours during the Summer) are not fully respected and enforced everywhere; some unscrupulous employers oppose resistance to change and still make use of illegal means to retain control of their workers (e.g. cancelling the workers’ Qatari identity cards, thus leaving them without a legal status in the country, or filing absconding charges); the capacity of the labour inspectorate needs to be significantly reinforced.

16. I do not wish to disregard or undervalue progress made, but I cannot be satisfied with the present working conditions in Qatar. I believe we would not consent for our citizens to work under the conditions that thousands of workers experience there to date. True, most of these workers were (and are) escaping from worse situations and needed these jobs to survive; true, in many other countries standard working conditions are far below ILO standards: however, these are not reasons to accept what is not acceptable. Quoting Mr Infantino: “(...) *There is definitely still room for further progress, and we will continue to work closely with the authorities and all stakeholders to promote a progressive agenda that should be of long-term benefit to all workers in Qatar, whether involved in the preparation of the event or not.*”¹⁶ During the remote meeting I had with Mr Infantino on 8 April 2021, he told me that FIFA will keep on working with the Qatari partners to seek to achieve further progress. I am confident that this commitment will be respected.

¹² Resolution 2053 (2015) “The reform of football governance” stated that the decision of 2 December 2010 to assign the 2022 World Cup to Qatar was “radically flawed” (§ 10) and prompted FIFA to open a new procedure for the award of the 2022 World Cup (§ 13.1).

¹³ The technical cooperation project implemented by the ILO in Qatar is showing the effectiveness of the ILO’s supervisory mechanism.

¹⁴ Qatari authorities cooperate with the United Nations system, international trade union organisations, employers’ organisations, civil society organisations and counterparts of the Ministry of Administrative Development, Labour and Social Affairs (MADLSA) in other countries, including concrete exchanges with Australia, Canada, the European Union, the Netherlands, Portugal, Sweden, Switzerland, the United Kingdom, the United States, and other countries.

¹⁵ The ILO has regularly published evaluations pointing to shortcomings in different key areas such as labour inspection, wage protection, safety and health, etc.

¹⁶ See FIFA’s statement [here](#).

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17. Calls for a boycott could now be somewhat too late and I tend to agree with Mr Infantino that dialogue could achieve more. Constructive engagement and dialogue with the Government of Qatar have been conducive to positive impact and are the way forward to achieve more progress. Nevertheless, I would appeal to FIFA that they should not take any sanctions against any teams or any players choosing not to participate to the World Cup because of their wish to uphold human rights. A sanction in this case would be a great mistake. Moreover, the “starting point” in Qatar, concerning working conditions, was really bad; the respect of basic ILO standards should rather be a precondition to be a credible candidate and not a target to reach after being designated as the host country of the FIFA World Cup.

18. Finally, we should not forget that there are large European companies that are operating in Qatar and it is our responsibility to ensure that they respect our values.

2.2. Human rights conditionalities as standard “contractual clauses” for bidding countries

19. We expect that countries hosting major sports events – this goes beyond football, of course – are ready to assume their obligations in different areas and meet them effectively. For example, no doubt they must ensure safety of all sports equipment and security of the national and foreign audience attending the events, and of people leaving or moving within the areas where they take place. There are expectations concerning the capacity to plan investments and build or renew infrastructure paying attention to costs for society (seeking to ensure positive social and economic returns) and to the need to safeguard the environment. I believe that, in the same vein, we should insist on the human rights dimension, and expect that all bidders to major international sport events, such as FIFA and UEFA competitions, are bound to ensure the respect of key human rights standards if they wish to host the events in question.

20. Resolution 2200 (2018) recommends that FIFA and UEFA, each within its sphere of responsibility:

- *“introduce effective checks on compliance with the obligations entered into by countries that apply to host major football competitions and by their national associations” (§ 11.2.1);*
- *“insist with the governments of host countries on the necessity to protect fundamental civil and political rights, and in particular freedom of expression – including the freedom of the media – and freedom of peaceful assembly, and this not only in connection with their competitions, but beyond” (§ 11.2.2);*
- *“ensure that all cases of serious breaches of human rights, including the rights of workers, by private companies involved in the organisation of their competitions, beginning with those who build stadiums and infrastructure, are made public and that effective penalties are applied when the follow-up measures recommended by supervisory bodies are not implemented; the governments of host countries must accept this responsibility” (§ 11.2.3).*

21. FIFA and UEFA partners have provided us with relevant information on their action in this respect, which is included in documents [AS/Cult/Inf \(2021\) 14](#) and [AS/Cult/Inf \(2021\) 15](#); I will highlight here some of the elements.

2.2.1. FIFA requirements regarding the protection of fundamental civil and political rights

22. Since November 2017, FIFA has been integrating human rights requirements into its bidding processes. As part of these requirements, FIFA asks bidders to identify risks to fundamental civil and political rights associated with FIFA’s tournaments, and to present plans to address them.

23. The bidding governments are required to submit a “Declaration” including the following statement:

- *“The Government will fully support FIFA and the Member Association in their efforts to achieve that the hosting and staging of the Competition and any legacy and post-event related activities do not involve adverse impacts on internationally recognised human rights, including labour rights.*
- *The Government is committed to respecting, protecting and fulfilling human rights, including labour rights, in connection with the hosting and staging of the Competition and any legacy and post-event related activities, with particular attention to the provision of security, potential resettlement and eviction, labour rights (including those of migrant workers), the rights of children, gender and other forms of discrimination and freedom of expression and peaceful assembly, and will ensure that access to effective remedies is available where such adverse impacts do occur, including judicial and non-judicial complaint mechanisms with the power to investigate, punish and redress human rights violations.”*

24. As part of the Government Guarantees, governments are also required to ensure that all security forces, both public and private, deployed in relation to the tournament are trained to comply with relevant international standards on human rights compliant policing, including, but not limited to, the UN Basic Principles on the Use

of Force and Firearms by Law Enforcement Officials, the UN Code of Conduct for Law Enforcement Officials and the International Code of Conduct for Private Security Providers. These codes include respect for fundamental civil and political rights. Furthermore, FIFA requires bidders for the FIFA World Cup and the FIFA Women's World Cup to commission detailed human rights context assessments by competent and independent entities approved by FIFA.¹⁷

25. Throughout the preparation and hosting of the event, FIFA works closely with the respective member association and the host government to ensure that all entities involved implement their human rights obligations. This includes, for instance, the development and implementation of joint strategies and action plans, as well as specific policies and procedures, and regular assessments of government responses to relevant human rights risks, including through engagement with external stakeholders.

26. FIFA and/or tournament organisers implement measures to monitor compliance with human rights standards (in particular concerning labour rights), operate grievance mechanisms to allow for adverse impacts to be reported and strive to ensure adequate levels of transparency.¹⁸ Where problematic issues are identified, FIFA engages with host governments through the established joint procedures and using various forms of leverage in accordance with its responsibilities under the *United Nations Guiding Principles on Business and Human Rights*.

2.2.2. UEFA requirements regarding the protection of fundamental civil and political rights

27. UEFA's requirements regarding the protection of human rights and fundamental freedoms are listed in the dedicated section of the Requirements of the relevant competition, which include the bidder's compliance with, among others:

- the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights;
- the eight ILO fundamental conventions as set out in the Declaration on Fundamental Principles and Rights at Work and its Follow-up;
- the United Nations' Convention on the Elimination of All Forms of Discrimination against Women;
- the United Nations' Convention on the Rights of the Child.

28. When submitting their bid, candidates must confirm their commitment to the protection of human rights. Among other demands, they are asked to:

- assess the most prominent potential risks to human rights associated with their bid;
- detail the public commitment of the candidate's government in relation to human rights as concerns the competition;
- describe how these public commitments will be embedded into organisational standards;
- outline an action plan and remedy mechanisms in the case of human rights issues.

29. Moreover, the candidates/hosts national associations are contractually bound via the agreement with UEFA to a number of principles extracted from the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights in connection with the products and services they provide.

30. When signing the staging agreement, the host association endorse the responsibility to act as the interface with the local and national authorities. I would suggest, however, that UEFA should require the commitment not only of the national associations but also – and primarily – of the governments of the bidder countries, and should set proper mechanisms of direct dialogue with them to discuss and solve potential problems.

3. The protection of children and underage players

31. Resolution 2200 (2018) recommends that FIFA and UEFA, each within its sphere of responsibility:

- *“ensure compliance with the transfer rules in order to prevent “trading in children” and consider, in collaboration with the Council of Europe's Group of Experts on Action against Trafficking in Human*

¹⁷ See e.g. [here](#) for the United Bid 2026 (by Canada, Mexico and the USA) or [here](#) for the winning bid book for the FIFA Women's World Cup 2023, which has a chapter on Human Rights.

¹⁸ For example, in Qatar, the Supreme Committee, for instance, publishes [regular reports](#), including those of the independent monitor Impactt Ltd and the Building and Wood Workers' International.

Beings (GRETA), the mechanisms and measures required to put a stop to the chain of “forced transfers” of underage players, which falls within the definition of human trafficking” (11.2.4);

- *“initiate a reflection on the protection of underage players and the promotion of their education, (...) by taking account of the specific proposals in the report entitled “Good football governance” (Doc. 14452) and of Recommendation CM/Rec(2012)10 of the Committee of Ministers to member States on the protection of child and young athletes from dangers associated with migration” (11.2.5);*
- *“increase the funds allocated to education programmes and the financial support for educational projects launched by national associations” (11.2.7).*

3.1. Regulations

32. The protection of minors must remain one of the main concerns of football regulators. It is understandable that clubs look for the best talents, but “business” has pushed clubs and agents to lower the age at which players are recruited. There is, of course, a consensus on the need to ensure adequate protection to minors, including through limitations to their international transfers. What this protection should be, however, is at present being debated among the stakeholders within the context of the reform of the transfer system. I will deal with this question in the corresponding section (see 6.4).

33. Furthermore, the FIFA Forward Development Programme Regulations 2.0 oblige member associations and confederations to “take measures to protect and safeguard children and minors from potential abuses and to protect their wellbeing within football” (article 8, para. 1t).

34. Within the UEFA framework, art. 23bis of the UEFA club licensing regulations (*Child protection and welfare*) provides that clubs “*must establish and apply measures, in line with any relevant UEFA guidelines, to protect, safeguard and ensure the welfare of youth players and ensure they are in a safe environment when participating in activities organised by the licence applicant*”.

35. The *HatTrick V* programme provides funding to developments such as the elaboration by the national associations of a Corporate Social Responsibility strategy. The Regulations refer to “child safeguarding” (i.e. providing a safe and secure playing environment for children and ensuring that effective policies, practices and procedures are in place to prevent harm) as part of this strategy.

3.2. Key ongoing initiatives to strengthen child protection and promote young players education

36. FIFA is working with the confederations and the 211 member associations to help raise awareness of the importance of child safeguarding at all levels in football. In July 2019, FIFA launched its [FIFA Guardians™](#) programme, which is intended to help member associations and confederations in strengthening child and vulnerable adult safeguarding measures across football. FIFA prepared (with technical support and guidance from an expert working group comprising representatives from the Council of Europe, UNICEF, Safe Sport International and several member associations with expertise in this area) a toolkit / practical handbook on the steps needed to develop and implement policies and procedures to prevent and address harm and ensure the well-being of all football actors, especially children.

37. Concerning training and capacity building, in January 2021, FIFA announced the launch of the FIFA Guardians Safeguarding in Sport Diploma, a major global education programme (developed with The Open University, in co-operation with experts, practitioners and academics in the field from all over the world). This Diploma is designed to professionalise the role of safeguarding officers in football and to raise safeguarding standards around the world. This is the first academic programme of its kind; it provides the 211 FIFA member associations with a dedicated, interactive educational resource to develop safeguarding best practice, with an aim of eradicating harassment and violence of which children who plays football, or indeed any sport, may be victims.

38. Together with UNESCO, FIFA has also developed a *Football for Schools* programme which is intended to teach “life skills” through football, including:

- personal understanding (e.g. taking responsibility, communication, identifying with role models, active listening, the balance of both winning and losing and positive lessons that each teaches);
- the challenges that young people face (e.g. bullying, discrimination, conflicts, peer pressure);
- sporting values (e.g. friendship, teamwork, helping hands, respect for each other);
- health & wellbeing (e.g. fighting infections, good hygiene, asking for help, safe spaces).

39. In partnership with the foundation *Terre des hommes*, UEFA developed a digital platform, “*safeguarding.eu*”, which provides a central online information and learning resource aiming at enhancing the knowledge, skills and practices in football, to help its member associations and other football stakeholders to increase their knowledge and skills in the field of child protection and to create safer football environments for all children who play football. The project is centred around a child safeguarding toolkit and four online courses that address this issue. Resources relating to the safeguarding of children in sport and, in particular, in European football are available (in English only) in the [Library](#) and [News](#) sections of the platform.

40. The Football in Schools programme¹⁹ and UEFA support to coach education and grassroots football activities of its member associations²⁰ are also aimed to educate children and young people through football, and more specifically through the development of teachers and coaches (including young coaches), e.g. by creating a safe learning environment, using a modern coaching methodology that emphasises learning, fun and social interaction, etc.

41. The UEFA Grassroots Leader course and the UEFA C Diploma course syllabus are also intended, among others, to create a motivational climate (e.g.: a culture of learning, inclusion and friendship, sense of belonging, engagement, child’s empowerment and autonomy, personal improvement and effort) and to uphold child’s psychological and social development (e.g.: develop curiosity, resilience, problem-solving, decision-making, and information processing skills, creativity, self-esteem; teach them how to improve teamwork). In addition, The UEFA Foundation supports more than twenty projects linking to education inside and outside of Europe.²¹

3.3. New powerful projects to enhance child and youth protection in football (and sport)

42. In the context of the EU social dialogue committee, UEFA, ECA, European Leagues and FIFPRO are considering developing a (European) research project to map the existing standards for the protection of minors in elite academies and identify potential gaps with regards to the rights of the child. Specifically, the research would:

- look into the existing regulations and quality standards relating to the protection of minors in elite academies across leagues and clubs;
- compare the existing standards on the protection of minors in elite academies with global child protection standards based on the UN declaration on the rights of the child;
- develop a global framework (and list) of quality standards on the protection of minors in elite academies based on the rights of the child.

43. This project can really contribute to better assess the quality of child protection in football; I consider that we should support it and encourage the involvement and contribution of national decision makers to its successful launching and implementation.

44. There is another project to which I attach the greatest importance, and which represents to me a fundamental step towards effective child protection in football and in sport. This is the project on the establishment of a “*Safe Sport Centre*” or “*Agency*” that FIFA is considering with other partners and Ms Joyce Cook presented to us during our hearing of 4 December 2020.

45. As Ms Cook recalled, many high-profile cases have come to light in recent years of child abuse across sports and around the world, including football, with recent cases that have been widely publicised such as in Afghanistan and in Haiti. Cases of abuse must be addressed immediately when they are reported, however, they are complex and difficult to investigate. There is a need to ensure that safety of survivors comes first and that whistleblowers, victims and their families are not put at further risk of harm. FIFA has had cases of death threats, without being able to turn to, to rely on or to trust statutory criminal justice and child protection agencies on the ground, for support and for investigation and prosecution of perpetrators of these crimes.

¹⁹ The programme is targeted to support grassroots football activities, with earmarked funding of up to 50,000 EUR per association per season, meaning a total of 2,75 million EUR.

²⁰ The Grassroots Charter allocates earmarked funding of up to 150,000 EUR per association per season; under the Coaching Convention, all national associations (but Gibraltar) receive 100,000 EUR earmarked funding every season.

²¹ For example, the programme “Math Attack” (St Lucia) provides after-school tutoring in a welcoming, safe and child-friendly environment, and support for at-risk youth between the ages of 11 and 15, using sport as a tool to enhance the development of life skills, foster positive social behaviours and improve school results. More information at: <https://uefafoundation.org/action/math-attack-2/>.

46. Such competencies fall beyond the capabilities of sports alone. Hence FIFA is calling for the establishment of a new international centre for safe sports. It should be multi-sports, multi-agency and multi-government, to deal with these cases of abuse; an entity, efficient, agile and pragmatic in providing a pool of services and expertise that could assist all stakeholders to eradicate abuse in sports, putting the needs of victims first. I wholeheartedly support this project and I do hope that our Assembly will be able to mobilise all our governments so that they commit themselves to ensuring that this project could be speedily achieved.

47. During our hearing of 4 December 2020, we heard that sexual assault is unfortunately a reality in sport. Through its intergovernmental networks, the Council of Europe has mobilised efforts to tackle the problem. The “*Start to Talk*” initiative calls on member States to take three types of action which it helps them to develop through support packages comprising a set of tools.²² Currently, the Enlarged Partial Agreement on Sport (EPAS) is launching pilot projects to establish networks of child welfare officers in sport under its “*Child Safeguarding in Sport*” (CSiS) scheme. This module will probably be added to the existing tools. To date, about twenty Council of Europe countries make use of such schemes. I believe, however, that the Assembly must encourage higher political mobilisation in all our member States. I would also like to recall the action plan against sexual violence in sports which we adopted in 2018, in Tbilisi,²³ and hope that parliamentary delegations to PACE could give it more visibility.

4. Promoting gender equality and the role of women in football

48. Resolution 2200 (2018) recommends that FIFA and UEFA, each within its sphere of responsibility:

- “*promote the adoption by their member associations of rules enshrined in their statutes in order to ensure that the composition of their executive boards and standing committees includes a number of women at least proportional to the number of female members registered, with a minimum number of places reserved for women in all cases*” (11.2.6.);
- “*strengthen their financial support for training programmes to promote leadership for women at national level and to increase the number of female coaches and referees*” (11.2.8.);
- “*use a higher percentage of their resources to promote women’s football, particularly in countries where associations are less wealthy, by studying forms of co-operation with national associations*” (11.2.9.);
- “*launch an information campaign to combat sexual harassment and gender discrimination*” (11.2.10).

49. During our hearing of 4 December 2020, it has not been possible to discuss this important question. However, both FIFA and UEFA provided us with detailed information on their efforts and programmes intended to promote gender equality and the role of women in football.²⁴ I wish to commend our partners for their work and for the results that they are already achieving, which is not possible to present here exhaustively. The following are just a few selected examples.

50. In 2018, FIFA launched its Women’s Football Strategy, which describes FIFA’s long-term vision for the development of women’s football at all levels. One of the key pillars of this strategy is to develop the ecosystem of women’s football and to raise overall standards at all levels of the women’s game in collaboration with the confederations and all 211 member associations through various projects and initiatives, including the FIFA Forward Development Programme, the FIFA Foundation and the FIFA Women’s Development Programme. FIFA will invest a total of USD 1 billion in women’s football over the course of the 2019-2022 period.

51. In 2019, in order to provide a comprehensive picture and benchmarking tool on the current landscape of women’s football globally, FIFA published the “FIFA Women’s Football Survey”; data therein will help to design and tailor strategic women’s football initiatives in the future. In September 2020, FIFA published the first-ever “*Women’s Football Administrator Handbook*”. This handbook offers a better understanding of how strategies, practices and procedures can reinforce the objectives of developing women’s football and fostering gender equality, and it proposes good practices learned from experience.

52. UEFA has increased funding to its women’s football development programme by 50% as of 2020. As part of this funding, all member associations will have to employ dedicated staff for the development and progression of women’s football and have a dedicated women’s football strategy. In the 2019-20 season, UEFA co-funded 92 projects across its member associations to a total of €11.5 million (€ 5.5 million of which came

²² These comprise: help to set up a national awareness-raising campaign including appropriate communications tools to get people talking; support for the assessment and review of legislation and procedures; provision for training for sports movement professionals (managers, trainers, etc.).

²³ The action plan comprises “Ten key steps to better protect children against sexual violence in sport”; it is available at: <https://pace.coe.int/en/news/7252>.

²⁴ I refer to documents [AS/Cult/Inf \(2021\) 14](#) and [AS/Cult/Inf \(2021\) 15](#).

through the HatTrick Programme). Moreover, UEFA committed a further € 50 million to the promotion, visibility and development of women's football.

53. Among other initiatives, the UEFA Academy organises the annual “*Women in Football Leadership Programme*” to support the careers of women capable of influencing the football industry today and in the future. Since its inauguration, 5 member associations (Northern Ireland, Ireland, Germany, Finland and France) have devised their own national programmes.

54. Our Parliamentary Assembly advocates a balanced representation of women in the bodies of sports organisations at all levels. Both FIFA and UEFA report positive developments within national associations and give concrete examples. Both organisations are encouraging these developments. However, I would like this process to speed up and that FIFA and UEFA ask all national associations to include in their statutes a quota (of at least 25%) of positions reserved for the less well-represented sex (generally women) in their executive bodies and committees. This should become a conditionality to benefit from development funds.

5. Rethinking Football's Economic Model

5.1. *Widening gaps between leagues and clubs: the danger of polarisation and financial imbalances*

55. The European Leagues commissioned KPMG to prepare a report on “The financial Landscape of European Football”, which was delivered in November 2020. The analysis therein is of great interest for our purposes. The starting point is that “*Football is the world's most popular sport and Europe is its largest market.*” This market has experienced a rapid growth and a significant expansion of club finances over the past two decades, driven by three main revenue streams, i.e., club commercial income (sponsorship, merchandising and commercial partnerships), central league revenue (broadcasting rights and league sponsorship) and UEFA club competitions (UCC) revenue.²⁵

56. From 2009 to 2018 the total revenue of European football rose from € 11,719 million to € 21,083 million, with an increase in all revenue streams: commercial income rose from € 4,372 million to € 7,965 million (i.e. 82% growth); league broadcasting rose from € 4,076 million to € 7,890 million (i.e. 94% growth); UCC revenue rose from € 692 million to € 2,092 million (i.e. 202% growth). Matchday revenue²⁶ remains an important income, although the evolution is less pronounced (from € 2,081 million to € 3,138 million, i.e. 51% growth).

57. This rapid commercial expansion has not been (and is not) even, however, and has resulted in a widening gap between leagues and clubs. Following the cluster-based analysis of the KPMG report, in 2018, the gap between the total operating revenue of “Cluster A”, i.e. the 5 major European leagues (in alphabetical order: England, France, Germany, Italy and Spain), and of “Cluster B” (Belgium, Netherlands, Portugal, Russia, Switzerland and Turkey) was of € 12,697 million (against € 6,202 million in 2009). The average operating revenue per club is € 160.1 million in 2018 for “Cluster A” (against € 82.1 million in 2009); it is of € 31.7 million in 2018 for “Cluster B” (against 19.2 million in 2009) and significantly less for the others. Over the period 2009-2018, revenue growth of the top ten clubs of “Cluster A” has been 212%, for the other clubs of “Cluster A” 187% and for clubs of the other clusters only 150%. On the positive side, European football has been growing everywhere; on the negative side, we must acknowledge increasing polarisation.

58. Financial gaps between leagues are inevitable to a certain extent, as they are partly dependent on differences in domestic markets and socio-economic conditions, but they have increased. However, polarisation and widening gaps are also due to the diverging scale of media markets in different countries and to the UCC revenue distribution scheme. Top leagues – and top clubs within them – benefited from the raising values of broadcasting rights more than the others. For “Cluster A”, the share of broadcasting revenue is 44%. It drops to 21% for “Cluster B”, and is only 12-2% in Clusters C, D and E.

59. UCC revenue distributions to clubs have further increased the financial differences between top clubs within each league and the others. Indeed, the KPMG report deplores a greater dominance by a fewer number of clubs in many domestic leagues and the sporting advantage these top clubs have from regular participation in UCC competitions. In other terms, UCC revenue distributions are having a distortive effect due to their increased size and their concentration to a small number of top clubs in each league.

60. Another feature of this increasingly polarised ecosystem is the expansion of the transfer market, with transfer spending over € 8 billion in 2018, against a transfer revenue of € 6 billion (i.e. a negative balance of

²⁵ UCC revenue is distributed by UEFA in the form of “competition payments” to clubs which play in the Champion League (UCL) or the Europa League (UEL), and of “solidarity payments” to the others.

²⁶ Income from tickets sales, matchday hospitality and food and beverage.

€ 2 billion). The growing transfer spending at the top is supporting the football ecosystem to some extent, as top leagues – with the remarkable exception of the French League 1²⁷ – are “net spenders” and clubs from the other leagues are “net sellers”.

61. A key issue for all stakeholders is how to address this polarisation. My understanding is that there are no miracle solutions and that the stakeholders have difficulties in agreeing on possible ways forward.

62. The UEFA has recently modified the structure of its club competitions: from season 2021/22, the Europa League (UEL) will slim down from 48 to 32 clubs and a third 32 team competition, the UEFA Europa Conference League (UECL), will be introduced. The corresponding revenue is projected at € 3.5 billion per year for the 2021-24 cycle, with approximately 85% from TV rights and 15% from sponsorship and licensing. On this basis, the 32 UEFA Champions League (UCL) clubs will share € 2.032 billion (equivalent to 74% of club prize money), the 32 UEL clubs € 465m (17%) and the UECL clubs € 235m (9%).²⁸ In addition to cross subsidies from the UCL to the UEL and the UECL (projected at more than € 400m), from 2021/22 between € 245m and € 280m will be paid in direct solidarity to clubs (€ 105m for qualifying round payments and € 140m-€ 175m for youth investment to non-participating clubs).

63. While the new UCC system offers more sporting opportunities to a broader number of clubs and its revenue distribution mechanism includes a significant solidarity component, I doubt that the latter will be sufficient to avoid that the system will keep on triggering increasing gaps. I am aware that UEFA must pay attention to expectations of different stakeholders with diverging interests; I am also convinced that it is not correct to pretend that UEFA should solve alone the problem of polarisation. However, the criteria retained for allocating the UCL prize money and the level of solidarity which the system ensures do not allow to avoid further increases of the financial gap between top clubs within each league and the others. In this respect, it is quite difficult for our Assembly to take position and I believe it is for the stakeholders to keep on discussing possible ways to change the systems progressively. I wish, however, to make two suggestions.

64. First, I consider that the 10-year club coefficient is not a good allocation criterion, because it increases distortions; thus, the share of 30% of the revenue distributed according to this criterion could progressively be reduced and eventually disappear. UEFA could allocate the corresponding amount to solidarity, increasing for example money to invest in youth training and education and in the development of women football.

65. Second, the European Leagues should consider establishing a solidarity fund, which could be fed by a small percentage of TV rights perceived at national level by the richest leagues. I am aware this is not an easy proposal; but if we know that polarisation is mainly triggered by the raising values of broadcasting rights perceived by the major leagues, the logical consequence is that they are the source of revenue which could sustain a solidarity mechanism. The idea, however, could not be to distribute money for free: such a solidarity fund should be designed to support sound projects (including where appropriate joint projects involving different leagues) in line with strategic goals. Financial aid could also be in the form of “matching grants”, thus complementing targeted financial efforts by beneficiary clubs or leagues. I believe that, in the present context of recovery from the Covid-19 pandemic, such a fund could also aim at promoting collaborative project development with fans associations. I would add that dialogue with UEFA and FIFA, and sound coordination of actions implemented, should help avoiding that resources available for solidarity be misused because of overlapping initiatives and duplication of efforts.

5.2. Financial excess: wages and transfer transactions

66. Financial excess in football is perhaps at its most glaring in the profiles of the best paid players. Looking at figures just before the Covid-19 pandemic: the 8 highest-paid soccer players in the world, according to Forbes's 2019 edition of its annual list of the most highly paid athletes, play in 4 of the leading 5 European Leagues. Three of these – Lionel Andres Messi, Cristiano Ronaldo et Santo Júnior Neymar da Silva – were atop the Forbes list, out-earning the superstars of American Football, golf, basketball and baseball.

²⁷ See the detailed figures in the CIES Football Observatory [Monthly Report n° 47](#) - September 2019: Financial analysis of the transfer market in the big-5 European leagues (2010-2019). The French League 1 achieved a positive net balance of transfers both in 2018 (with a record € 333 million) and in 2019 (€ 152 million).

²⁸ The UCL prize money will be distributed as follows: 25% (€ 501m) are allocated evenly across the 32 clubs (€ 15.7m per club); 30% (€ 601m) are allocated to performance-related fixed amounts, according to wins, draws and progress; 30% (€ 601 m) are allocated according to the 10-year club coefficient (between € 1.1m and € 36.3m per club); 15% (€ 300m) are allocated according to market pool per size of TV market and number clubs from each market). The UEL and UECL prize money have similar distribution schemes with the same pillars, albeit with slightly different weightings between the pillars.

67. In 2020, notwithstanding salary cuts, Ronaldo earned \$105 million, Messi \$104 million and Neymar over \$ 95 million. And in 2021, Messi's earnings reached \$ 130 million, and Ronaldo \$ 120 million; Neymar lags behind (if we can say that) with his \$ 95 million. True, they are exceptional players and part of their income comes from their sponsors. Moreover, I am not contesting that these are champions who bring value for money to their clubs. To understand this, it may be sufficient to recall that they are superstars on the social networks: Ronaldo has more than 500 million followers across Facebook, Instagram and Twitter, Messi more than 330 million and Neymar more than 280 million; this means the highest visibility on social networks also for their respective teams. Nevertheless, there is something wrong in the salary figures of these and other top-level players, knowing that the football club's debts are quite high too.

68. Not all top professional players are on such heady and dizzying paypackets: players earning millions are "just the tip of a much larger global pyramid of professional footballers".²⁹ A little less than 2% of players worldwide "earn more than 720,000 USD a year"; outside the global elite, players' salaries are at best modest, with over 45% paid under \$1,000 per month, and 74% earning less than \$4,000 per month.³⁰ Beneath the high earners there are substantial numbers of players earning their living in poorer or lower leagues across the Americas and Asia, parts of mid- and eastern Europe, and Africa.

69. It would be naïve to think or propose that the very best players in the world should not be able to benefit from their talent, genius, dedication and hard work in an inevitably concentrated and sometimes cruelly brief career. But wages, in the top leagues and also in those lower-tier divisions with ambitions to rise and rise to the top, have proved inflationary, and contribute to the problems of economic instability that flow from the commitment of uncertain monies to get hold of, at any price in transfer and wages, the next young star or the missing piece in the jigsaw.

70. At the centre of transfer transactions are the agents who, working on all sides of the table but primarily for the cartel of big clubs, siphon hundreds of millions of euros, dollars or pounds into their own pockets as top clubs look to protect their profiles by monopolising the market for starlets and proven superstars alike. The nature of the transfer system is an issue of fundamental importance to the economy of the sport, and its inconsistency as a wealth distribution mechanism in football has created a burgeoning market in which huge sums circulate among the elite clubs in a solipsistic economy of limited circulation of resources. In principle, the system can reward and incentivise clubs that carry out effective recruitment of players and commit to good player development; the problem is that agents are permitted to take far too high a percentage of the value of the transaction as they act for both clubs and players in the process.

71. It is remarkable that, in 2018, despite the impressive financial flows, (and the fact that European football as a whole had turned profitable), around half of the top-tier clubs operated with deficits. Operating costs reached € 20,387 million in 2018 (i.e. around 70% more than in 2009), with a significant increase of players' wages (from € 7,488 million to € 13,472 million) being the main cost driver for clubs.

72. Domestic financial rules and UEFA Financial Fair Play (FFP) had a positive impact, imposing more responsible spending and more sustainable financial models.³¹ However, within UEFA, only 17 leagues (out of 55) generated an average positive net profit over the five-year period 2014-2018. Because of the overspending on players' wages, clubs and the football ecosystem are exposed from a financial management perspective, as annual income can fluctuate significantly. Indeed, this is what has happened with the Covid-19 pandemic.

73. The systemic risks engendered by polarisation and financial imbalances on the one hand and financial excesses on the other hand have now been amplified by the consequences of the Covid-19 pandemic and its huge impact on clubs, leagues and also national associations revenue flows.³² And while the reinforced level of cooperation among stakeholders and joint efforts to respond to the crisis may give hope for the future (as

²⁹ Goldblatt, *The Age of Football*, 13.

³⁰ FIFPro (World Players' Union), *2016 FIFPro Global Employment Report: Working Conditions in Professional Football* (Netherlands: FIFPro, 2016), 6. The survey was only of the experience of male professional footballers.

³¹ See also doc. [AS/Cult/Inf \(2021\) 17](#).

³² As indicated in doc. [AS/Cult/Inf \(2021\) 17](#), the consequences of the disruption caused by the pandemic have been severe: club profits were hit by € 5-6 billion; clubs' debt levels have grown on average by 35% and, at present, up to 120 clubs are at risk of falling into negative equity. As a sign of the financial distress, Summer 2021 transfer spend was 42% lower than the peak in 2019, with lower spend in all ten major markets. The pandemic has pushed more than 200 profitable clubs into loss-making territory. The hit to clubs' finances has resulted in the erosion of equity and a need for cash injections. It is estimated that € 3 billion of equity injections are required to maintain clubs' solvency. This level of equity injections will raise sustainability issues and associated governance matters.

noted by the KPMG report), I cannot but express all my reprobation for the position which has been taken by 12 of the most powerful European clubs and their attempt to create a separate European Super League (ESL).

74. All football organisations, as well as fans – to whom we must pay tribute – and many policy makers, reacted strongly and this forced most of these clubs to declare that they would not pursue the ESL project. But we shall not be naïve: the wounds are there; the idea will keep on floating and powerful financial interests remain an attractive proposal to some who consider a closed-shop tournament to be the best way to cash fresh money, no matter if this is no more the game people love and if such a scheme could kill football as we want it to be.

75. The promotion-and-relegation model of football makes it possible for everyone to dream of a day of glory. Owners, players, staff, followers, communities, sponsors and other interested parties can dream that one day their club will be in the top tier of the country's professional league. The narrative of restoration, comeback, progression and rise, the prospect of giant-killing encounters between small-town nobodies and big metropolitan centres – all such possibilities fuel the passions of followers and spectators, and of players who aspire to ply their trade at the highest level.

76. The dominant economic model of football still allows such dreams and aspirations to flourish, encouraged by a pyramid model of involvement and participation that can accommodate all levels, from the playground to the professional stadium. In practice, the richest have become, for the most part, unattainable: but aspiration from below remains a reality. Things differ in the USA, where a professional sport franchise model, exemplified in the National Football League (NFL) is based upon controlled competition and established pathways – in particular through College sports – for future elite performers.

5.3. Soft budget control

77. The economics and finances of sports organisations such as football clubs have long been recognised as a distinctive and peculiar case. This has in large part been due, as observed in the case of La Ligue in France, to the willingness of clubs to be “drawn into spending more than their budget” to attract top players and then “to beg patrons and tycoons to bail them out”.³³ Other parties willing to participate and collude in such bail-outs include stakeholders such as fan groups, along with municipalities and other political entities for which the presence of a football club has constituted a welcome symbol of community and heritage, as well as potential place-marketing in the present and the future. Six types of softness have been identified in the analysis and theorisation of Soft Budget-Constraint (SBC), and all of these have been demonstrated to be deeply embedded in European football and the operating practices of clubs.³⁴

78. The six are:

- soft administrative pricing, as in the provision to clubs of stadia or training facilities at below-market prices;
- soft taxing, for instance tax exemptions and amnesty on or non-enforcement of tax debt;
- soft subsidies in an open form such as the cancellation of deficits or debt by patrons or governments, to keep clubs in business; or in more hidden forms such as inflated sponsorship deals;
- softness of credit conditions, including unpaid bills, acceptance of overdrafts and common postponement and/or rescheduling of debts;
- soft investments, in which sponsors, or a government pays towards revenue-boosting infrastructure such as new stadia build;
- soft accounting, in which corners are cut, rules bypassed, and legal conditions creatively overcome.

79. This is a recipe for a lack of transparency in football club development and administration, rendering clubs across the professional spectrum vulnerable to financial crises. We mentioned above the positive impact of the UEFA Financial Fair Play (FFP) rules. It has been claimed, however, that following UEFA's introduction of the FFP rules, the quality of financial reporting and statements has diminished in European club football; and that explicit forms of massaging of financial accounts have been adopted in order to avoid FFP penalties, enabling clubs to simply carry on as before.³⁵ The question here might best be posed by asking how well-intentioned FFP principles have been bypassed in practice or applied unfairly.

³³ Wladimir Andreff, “French football: A financial crisis rooted in weak governance”, *Journal of Sports Economics Online First*, July 13 2007: 6.

³⁴ Rasmus K. Storm and Klaus Nielsen, “Soft budget constraints in US and European Leagues: Similarities and differences”, in Wladimir Andreff ed., *Disequilibrium Sports Economics: Competitive Imbalance and Budget Constraints* (Cheltenham, UK: Edward Elgar, 2015): 151-174.

³⁵ Storm and Nielsen, *ibid.*

80. It is the opinion of UEFA and the stakeholders that FFP regulations should be reviewed³⁶. At present, the following outcomes are being considered among others:

- the system should move from an ex-post to a more ex-ante approach, and focus on control of transfer payments and fees and to players' salaries (e.g. consider the establishment of a ceiling), instead of solely considering the bottom line net result;
- there should be incentives to address the challenges generated by the flexibility of revenue streams and the rigidity of the cost structure;
- the grid of sanctions (and the way to impose them) should be reconsidered, to ensure proportionate and dissuasive sanctions, also paying attention to recidivism; financial penalties must be combined with sporting penalties.

81. Some stakeholders are concerned, however, that the reform could give more leeway on the expenditure side, as far as new liquidities would be made available, which could advantage top clubs thus contributing to increase polarisation. This is a problem that UEFA should bear in mind.

82. There has been no sufficient time to explore further this issue with the partners and therefore, I do not feel appropriate to express straightforward views, but I would encourage a genuine debate on the benefits (and potential drawbacks) of salary capping or the capping of squad contracts for clubs at different levels of the football ladder or pyramid, bearing in mind the need to protect smaller clubs in particular from over-reaching in financial terms, and to secure the mid- to long-term viability of league structures and the promotion-relegation model.

83. Concerning the main events, bidding processes have encouraged countries/national associations to think big when applying to host the finals tournament of a men's World Cup, or a European Championship, and the neglected infrastructural legacies of Portugal 2004, South Africa 2010, Brazil 2014 and even Russia 2018 are signals of a lack of responsibility in some of the biggest decisions by football's governing bodies.

84. There have though been serious improvements in bidding principles and processes in recent years, including the transparency of the voting procedure for FIFA World Cup hosting rights for the men's World Cup 2026, and in the European sphere the experiment to disperse UEFA's European Championship (Euro 2020) across 12 cities in 12 European countries. Environmental impact concerns and assessable legacy aims and goals should be embedded in all such processes to avoid budget excesses, spiralling costs and the multiplication of white-elephant facilities and venues.

6. Reform of the transfer system

85. Since March 2017, the FIFA Football Stakeholders Committee (FSC) has been dealing with the reform of the transfer system. I have reported on the reform process in an information note³⁷ to which I refer. I will take up here just a few elements and my analysis.

86. FIFA established, in October 2017, a task force including representatives of FIFPro, clubs, leagues, national associations, UEFA, the other confederations and FIFA, to agree on how the transfer system could be improved. The need for an in-depth review of the system was clearly perceived and its drawbacks well identified:

- a transfer market driven by speculation rather than solidarity;
- excessive transfer fees which are diverting money from football development;
- growing influence of football agents, with an increasing risk of conflicts of interests;
- greater contractual instability;
- massive inflation of transfer fees and player wages;
- increasing competitive imbalance.

87. To respond to the failures of the existing system, the following areas have been considered: clearing house, intermediaries and agents, training rewards, loans, transfer fee process, transfer of young players, squad size and home-grown players, transfer windows (registration) and fiscal regulation for transfer fees and players' salaries.

³⁶ New FFP regulations should be submitted for approval to the UEFA Executive Committee in the course of the season 2021/2022, so as to enter into force in June 2022 (with a transition period between current and new FFP Regulations).

³⁷ Doc. [AS/Cult/Inf \(2021\) 09 rev2](#).

88. In general, all the partners involved in the work of the task force consider that the establishment of the Clearing House, the mandatory licensing of, and new regulations on, intermediaries at international level, the modernisation of the solidarity and training compensation schemes and the reform of the loan system are improvements which will entail significant long-term benefits.³⁸

89. This is also my opinion: the reform elements on which agreement has already been reached are positive: they uphold legitimate interests of players, clubs and other football stakeholders. I also value the fact that the reform process is aimed at a high level of consensus on the solutions, also with a view to speed up their effective implementation. The question is, however, to what extent these steps forward respond to all expectations and whether existing problems, while reduced, remain partly unsolved and would thus require further consideration.³⁹

90. A reform of this extent and complexity cannot be achieved but progressively. It is also important to seek a wide consensus, when possible, and this of course requires proper time for “negotiations”. Taking account of the existence of huge financial interests and sometimes quite diverging perspectives and expectations, it is not astonishing that even for the key reform elements, results achieved are somewhat interim ones. Moreover, FIFA’s role in mediating between the above-mentioned diverging interests and expectations is quite hard. Our proposals are intended to back FIFA (but also other partners’) efforts – and not to express criticisms – with the hope to help removing strong resistance to a reform which is touching upon very significant vested interests.

91. FIFA has asked the Council of Europe GRECO to analyse and give an opinion on the new transfer system. It is not my intention to reproduce the excellent and quite detailed GRECO analysis, or the numerous recommendations therein. My intention is to highlight a few (but key) elements of concern that I have, and my position is coherent with the GRECO approach and advice.

6.1. The Clearing House

92. The FIFA Clearing House is a separate entity from FIFA, which will act as a payment service provider. In short, the Clearing House should achieve securing proper registration of all players, full traceability of their transfers and correct calculation and payment of the training rewards. It should also ensure, through a compliance assessment process, that all the parties involved in financial transactions operated via the Clearing House comply with the national and international legal obligations concerning international payment sanctions, anti-money laundering and counter-terrorism financing.

93. However, at the beginning, only training rewards will be paid via the Clearing House and only in a later phase would the agents’ service and transfer fees be paid through the system. It might be understandable that the new system is implemented progressively. However, bearing in mind the importance of ensuring transparency of all the financial flows related to transfers, it is of the utmost importance that all agents’ service and transfer fees are processed via the system of the Clearing House as soon as possible; this should also imply submitting the agents and their activity to the compliance assessment procedures, while ensuring robust personal data protection.

94. In addition, FIFA regulations should establish enforceable obligations to provide accurate data (and corresponding powers to enquiry and punish any violations). The FIFA Clearing House system will apply to international transfers, but transparency must be ensured also in the case of domestic ones; this might be pursued through the establishment of domestic clearing houses, which should all operate according to the same standards (so as to ensure a uniform data collection and analysis).

³⁸ However, *The Football Forum*, an association which represents agents, manifested to me their concerns and strong opposition to FIFA proposals concerning the Clearing House and the Regulations on football agents and their status.

³⁹ In this respect, FIFPro, while recognising the positive outcomes delivered by the task force, considers that the results achieved do not correspond to a systematic reform capable to impact the business practices of key actors in football, and that the transfer system would require a deeper review. Pleading for higher recognition of players rights, including free movement, FIFPro points out that the present transfer system has hardly achieved the objectives – such as the competitive balance and reward of training clubs – justifying its establishment, which would be attainable through less invasive means. FIFPro also claims that addressing the perceived excesses in the market – relating to transfer fees, agent activities, third party ownership and others – cannot be uncoupled from the consequences of contract terminations by clubs or players and that a greater balance of power, and transparency on these consequences would also reduce the ability to manipulate this market for personal benefits. FIFPro concludes that a meaningful reform should remove disproportionate restraining measures for the movement and freedom of players as employees; such a reform, when coupled with other measures, could work to the benefit of the overall industry and decrease speculative management practices and abusive business practices in some parts of football. The players wish to have higher recognition and protection of their rights as employees. This issue falls outside the scope of my report; it could be the subject of a new report that would examine to which extent the players’ status could be reviewed, seeking a higher alignment with the level of protection offered by the ordinary labour legislation.

6.2. Regulations on football agents and their status

95. The regulation of the agency/intermediary services is a sensitive and complex issue. The FIFA Players' Agents Regulations of 2008 provided for a regulated access to the profession, requiring a license obtained through an exam; it also prohibited dual representation. The FIFA Regulations on Working with Intermediaries, issued in 2015, introduced a much softer system, with only a few minimum standard requirements: a licence was no longer required, intermediaries were allowed to represent multiple parties in the same transaction (subject to proper disclosure) and FIFA renounced its competence on intermediaries' disputes and licencing. The implementation of these Regulations has been delegated to national associations, and this has generated differences and even inconsistencies between countries.

96. The widely shared perception is that these Regulations have been a mistake (and FIFA recognises this). Consultation for a reform process has been ongoing since April 2018 and this question was included in the second reform package, endorsed by the FIFA Council in Shanghai in October 2019.

97. The new regulations, which should enter into force in 2022, are intended, on the one hand, to enhance agents professional and ethical standards and, on the other hand, to reinforce the protection of players and their contractual stability. They should include, among other things: the reintroduction of a mandatory licensing system; the prohibition of multiple representation to avoid conflicts of interest; caps on commissions to avoid excessive and abusive practices, preventing their inflation; establishment of an exclusive, simple and fast dispute resolution system within FIFA to deal with agent-related disputes of an international dimension. Two issues deserve specific consideration.

98. First, concerning the issue of **multiple representation**, the rule which is foreseen consists of a general prohibition of representing two or more parties to the same transaction; however, the same agent would be allowed to represent the player and the engaging club in the same given transaction, subject to a prior explicit written consent given by both clients. This appears to be a kind of compromise. It might happen that the player and the engaging club have diverging interests; therefore, a risk of conflict of interest is there, and it will be essential to counter it. Looking at the question from the perspective of players, however, many players could be unable to pay (alone) proper agency services if this option were not available.

99. Second, concerning **commissions**, according to data in the FIFA Transfer Matching System, the total amount of commissions paid to intermediaries in relation to international transfers for 2019 was around USD 655 million; in 2020 (notwithstanding the perceivable impact of the Covid-19 pandemic) the amount was around USD 496 million. Commissions paid to agents are substantially higher in reality, as the FIFA Transfer Matching System only captures international transfers (and not domestic ones), commissions paid by clubs (and not those paid by the players) and data that is (properly) declared by users. Most of the agents' fees are paid by clubs in the UEFA countries.

100. The money reinvested via training reward mechanisms is much less. For example, in 2018, the total amount of solidarity contributions and training compensations was just above USD 90 million, i.e. six times less than commissions for international transfers. In 2019, payments to training clubs amounted, according to FIFA, at USD 75.5 million. It seems that the market speculation is driving resources away from football development. Moreover, it is also creating an incentive to engineer players' mobility, thereby threatening contractual stability; and it is likely to have a negative effect on players' salaries.

101. For these reasons, FIFA is considering introducing **caps on the commissions**:

- for the agent acting on behalf of the player, the maximum commission would be 3% of the remuneration effectively paid to the player under the new employment contract;
- for the agent acting on behalf of the engaging club, the maximum commission would be 3% of the remuneration effectively paid to the player under the new employment contract;
- for the agent acting on behalf of the releasing club, the cap on the total commissions paid for the entire transaction would be 10% of the gross transfer compensation.

102. This is progress: the proposed measures for agents are in the right direction as they are realigning the agent regulation with the objectives of the football transfer system. However:

- the commission on the gross transfer compensation will be, in general, (much) more lucrative than the commission on the player's remuneration; because of this lack of balance, agents will have more interest in fostering frequent transfers, thus incentivising contractual instability;

Doc. ...

- the caps concern only the commissions paid to agents, and not other service fee forms, which could lead to side (hidden) arrangements aimed at displacing agents' revenues from commissions to (inflated) fixed fees, giving a leeway to circumvent the proposed caps;
- even with caps, the amounts paid to the agents will remain much higher than the amount distributed as training and solidarity payments.

103. It is not easy to find a solution which can meet at the same time the need of paying a fair and reasonable remuneration to the agents for their work, avoiding conflicts of interest, protecting the players, avoiding pressure towards contractual instability and preventing abusive, excessive and speculative practices. I trust that the problems can be reduced by transparency; therefore, I believe we must insist in asking that all commissions and fees paid to agents are capped, registered, disclosed and monitored. Moreover, I think it could be useful to consider establishing a ceiling (in addition to the maximum percentage of 10% of the gross transfer amount) to the total amounts which can be paid for a transaction to the agent of the releasing clubs (e.g. 10 million USD).

6.3. Solidarity contributions and training compensation

104. **Solidarity contributions** have been payable (since 2001) to any club that has trained a player between the ages of 12 and 23, when an international transfer⁴⁰ or (since 1st July 2020) a domestic transfer with an international dimension⁴¹ takes place. The contribution is calculated as 5% of the fees or any other compensation agreed within the scope of a transfer and distributed proportionally to all training clubs. Before 1st July 2020, only international transfers were concerned; this was against the interests of the training clubs, and could provoke distortions in the transfer market, since releasing clubs could tend to prefer a domestic transfer to an international one, to avoid a 5% reduction over the agreed transfer or loan fees.

105. The **training compensation** is payable when a player is registered for the first time as a professional with a club affiliated to a different association than the training club, and then upon each subsequent international transfer until the end of the calendar year of the player's 23rd birthday. The compensation is paid to clubs that have trained the player between the calendar years from his 12th to 21st birthdays. It is calculated by reference to training costs, established on a confederation basis, with a precise determination made by individual national associations, which divide their clubs into a maximum of four categories.

106. To make the training rewards system more predictable, effective and consistent, FIFA envisages to establish an additional levy of 1% of the agreed transfer fee, paid by the buying club to a "centralised fund", which will be used for the payment of the future training compensations. Distribution criteria will also be reviewed so that lower categories of clubs would receive relatively more from the fund than higher categories.

107. This proposed change points in the right direction. However, I believe that the system should seek to ensure a more balanced proportion between the commissions paid to agents and training rewards. It is expected that the reform will produce an increase in the amount of solidarity and training compensation payments, on the one hand, because it will avoid evasion and, on the other, because of the envisaged additional 1% levy to finance a training compensation fund, which is certainly to be commended. However, the agents of the selling clubs would be entitled to perceive up to 10% of the amount of the transfer. I believe that training should be valued (thus remunerated) more than agency. Therefore, I propose that, when the releasing club pays a commission higher than 6% to the agent, the training compensation must equate to the total amount paid to the agent;⁴² the additional amount of the training compensation should be paid to the "centralised fund" by the releasing club.

6.4. International transfers of minors

108. FIFA regulations prohibit international transfers of minors, with some reasonable exceptions.⁴³ I believe this restrictive approach is the right one. Nevertheless, FIFPro argues that strict enforcement of rules

⁴⁰ i.e. a transfer of a professional player, either on a definitive or loan basis, between clubs affiliated to two different national associations.

⁴¹ i.e. a transfer of a professional player, either on a definitive or on a loan basis, between clubs affiliated to the same national association, provided that the training club is affiliated to a different national association.

⁴² For example, if the commission applied is 10% of the gross transfer compensation, the additional amount will be 10% - 6% = 4% of the gross transfer compensation.

⁴³ For more details on rules applicable, I refer to the information document [AS/Cult/Inf \(2021\) 09 rev2](#). I wish to note, however, that the exceptions are largely exploited, however: between 2010 and 2017, 15,982 applications for international transfer of minors were submitted, of which 13,595 were approved (including 233 applications from the top 15 clubs in UEFA).

prohibiting international transfers can be counterproductive to certain young players by limiting their football development opportunities.

109. Among the exceptions, the most relevant one, i.e. the possibility of international transfers between the ages of 16 and 18 within the EU/EEA, is only available to clubs of national associations in EU/EEA countries. According to the CAS jurisprudence, this exception also applies to transfers of players with an EU passport from clubs based in non-EU/EEA countries to clubs based in EU/EEA countries. This, means, for example, that South-American and African citizens holding double citizenships (one being of an EU country) can benefit from the exception. Given the relatively high number of players in this situation, the system creates more opportunities for minors in Europe and minors with EU/EEA nationality, compared to other regions. Therefore, the extension of the current EU/EEA exception (redrafted on the basis of the CAS caselaw) at a global level, while adding supplementary mandatory criteria for the international transfer of players between the ages of 16 and 18 has been considered.

110. The idea of establishing a uniform legal framework applicable to all international transfers might have a certain appeal; however, when removing the general prohibition of Article 19 of the Regulations on the Status and Transfer of Players, the risks of exploitation cannot but increase. There would also be a risk of a high concentration of the youngest talents in the wealthier and most attractive clubs (many of them being in Europe) and therefore an additional element of imbalances.

111. In any case, the transfer of a minor must be subject to compliance by the national associations and clubs with strict compulsory conditions, to be verified before granting the authorisation to the transfer. In particular (building also on the proposals of the task force) national associations and clubs must ensure at least:

- effective protection of all players of minor age against any form of exploitation and abuse;
- the effective provision, by the clubs to the minor-age players they register, of a stable environment not only for professional (football) development, but also for education and/or vocational training, and adequate health and social insurance benefits;
- the stability of the contractual relation with the minor-age player at least until the end of the season of the player's 18th birthday;
- general working conditions not less favourable than those of the other players of the club and not below the international ILO standards;
- the assistance the minor-age player may need to find his or her place within the hosting local community.

112. Consideration should also be given to the importance for the minor of keeping contacts with his/her family, when it is not possible to maintain the family unit.

113. Moreover, FIFA should elaborate, in collaboration with its Member Associations, FIFPro and other relevant stakeholders, as well as with other partners and experts as required:

- model provisions to be included in regulations of the confederations and/or of the national associations on monitoring mechanisms, effective remedies and severe sanctions to uphold the protection of minor players;
- a guide on the transfers of minor players and their protection, including all relevant information for the young players and their family, e.g. on risks of trafficking by fake agents⁴⁴ and their phishing and scam practices on the internet (as well as on ways to detect and avoid them), official procedures for international transfers, standard rights and obligations of minor players and clubs, contact points at FIFA and confederation/national levels, etc.; this guide should be published in FIFA and confederations websites, in the most common languages, and national associations should translate and publish it in their respective languages.

114. Last, but not least, within the new regulatory framework for agents and intermediaries, specific qualifications must be required from whoever wishes to represent a minor, in addition to those needed to get the professional license. There should be a public, centralised, international agent register, listing all licensed agents with the authority to represent minors, which would be made available via the FIFA website.

⁴⁴ See [here](#) the online article by Fred Lord on “*Human trafficking: International fake player agents and scouts, and their selling of dreams*” (2 November 2020).

7. Final remarks

115. The profile of football in global culture is prominent as never before. “No other sport, no popular cultural form, has been subject to this degree of adulation. Football is first: the most global and most popular of popular cultural phenomena in the twenty-first century.”⁴⁵ Yet the game must face today difficult challenges and evolve.

116. My report mainly focuses on two wide issues: the role of football in upholding human rights and the need to rethink the functioning of the football financial system. It is good that football continues to be a prosperous business; however, it must remain based on values.

117. Football is not merely a market product, a lucrative global commodity: it is a shared cultural practice that has caught the imagination of the whole world. Good football governance requires a cultural shift and an ethical stance which addresses the duties and obligations of each stakeholder in relation to its partners. In this sense, any reform to curb the financial excesses of football institutions needs an ethical underpinning, in which the most valued aspects of football culture are protected and nurtured.

118. The Daniel Funds Ethics Initiative at the University of Colorado (Denver) Business School proposes that eight ethical principles should inform institutional and organisational philosophies and practice in the contemporary world, equally applicable across public, private and voluntary sectors. These are integrity, trust, accountability, transparency, fairness, respect, rule of law, and viability. I will add to these principles the care for human dignity and human rights.

119. No doubt, such action points are essential if football is to retain its significance as a vibrant cultural form rather than becoming no more than just a profit-led money-making global commodity, and to preserve its place across all levels of society, in all parts of the world, as a symbol of reciprocally respectful competition and meritocratic achievement, and as a source of humane inter-cultural understanding and co-operation.

120. In the previous sections, I have presented many concrete proposals, which I have also detailed in the draft resolution. Therefore, I do not intend to repeat them in my conclusions. However, I believe it is worth highlighting some key ideas behind these proposals.

121. Football governance must be designed to safeguard the realm of fundamental rights and protect those who are more vulnerable, starting from children; to reject all forms of exploitation, violence, segregation and discrimination and to raise mutual understanding and respect between all people; to promote gender equality and the development of women football; to encourage and support human development of all players.

122. In this respect, the report refers to many programmes and projects which partners have developed to reinforce the protection of young players particularly, but not only, against the risks of exploitation and sexual abuse within the sports environment. These efforts are to be commended. There is also a need to upgrade national and local schemes for educating young players as persons and citizens: the present crisis should alert all stakeholders to the importance of helping football players to acquire the competences required for them to have a place in society also beyond the period of their sporting career.

123. Football governance must counter excesses and seek to reduce polarisation through increased solidarity. Gaps between the major teams and others, and between the best players and the rest, are inevitable and to a certain extent natural. We will not be able to eliminate them completely and I believe it would be a mistake to try to do so. Both in sports competitions and in business, it is only natural for the best, the most skilful and the most talented to be recognised for their excellence and rewarded accordingly. What is at issue here, however, is whether the gaps that have emerged and are continuing to grow are reasonable.

124. More generous principles of financial redistribution should be adopted so that the monies that circulate in and among an increasingly narrow elite of rich clubs do not continue to further divide the different layers of the football pyramid. New redistribution mechanisms should be developed that can strengthen the economic base of football and the viability of all stakeholders. Financial transparency should be reinforced at all levels of football governance and institutions: this would help revealing the excesses of some actors in the football marketplace, and for the poorer clubs the nature and scale of their financial crises.

125. Moreover, I think it is our duty to ensure that the economic benefits associated with the football economy are shared more widely with society as a whole. Therefore, beyond greater solidarity (and a more balanced distribution of resources) within the football system, football governance should aim at developing community outreach, which should be included in the activities of all clubs and leagues. The football world should be called

⁴⁵ David Goldblatt, *The Age of Football*: 3.

to devote a (significantly) higher share of the financial flow it generates (and namely the amount of money derived from TV rights and sponsorships) to social responsibility actions, i.e. to actions which should benefit the society at large. Given the present context, stakeholders should upgrade their respective social responsibility programmes and design more ambitious social responsibility strategies, so that football could foster cohesion within our communities and within our societies.

126. In this context, dialogue with fans should be strengthened. Fans should be consulted more often and with more commitment. Clubs and associations could consider switching marketing budgets and departments over to community-liaison workers, whose primary brief would be to foster fan groups and organisations where they do not as yet exist, and/or to work with established fan groups and organisations across the community. If clubs are to sustain links to communities and constituencies of fans, and to claim any credible relationship to the cultural legacies that the history of the game generates, then a genuine way of bringing fan groups into the stakeholder network should be established.

127. Decision making should be more inclusive and dialogue between stakeholders should be reinforced. Interests are sometimes diverging, and it is important that decisions are taken having regard to different positions. Consensus will not always be possible, but all stakeholders should act in good faith, be willing to collaborate and be open to solutions which pay attention to the needs of other partners.

128. There are some tough questions to be answered, such as the extent of FIFA's regulatory powers when it comes to governing the economic activity of agents and intermediaries, whether some elite clubs could stage a competition (the European Super League) that is independent from UEFA's official interclub competitions and whether (or not) holding the World Cup every two years would be appropriate. I consider that the Parliamentary Assembly should take a stand on these issues, even though it has not been possible to discuss them in depth; this is reflected in the draft resolution.

129. Before concluding, I wish to stress that, while many topical questions are discussed by the present report, it has not been possible to examine all those that deserve consideration. Among others, I will mention the theme of the complex (and sometimes dangerous) relationships between the worlds of sport, business, politics and communications, including, for example: the problem of the simultaneous holding of both political offices and positions in sports institutions or companies with significant financial interests in football; or the conditions for granting public funds to sports companies and associations.

130. In addition, football players – and more widely, athletes in all sports – expect their rights as workers to be recognised and protected and are calling on legislators to ensure this. The relentless pace of competition and media pressure puts their physical and mental health at risk, not to mention the dangers of violent impacts (including when heading the ball) to which male and female players are exposed from an early age. Complex issues arise with regard to the exercise of their freedom of expression and the limits that can be justifiably imposed on this freedom in the name of the neutrality of sport.

131. Lastly, we need to be aware that the Council of Europe and the Parliamentary Assembly have a role to play, that they must perform to the best of their abilities, in supporting and promoting good initiatives – like, for example, the project to set up a Safe Sport entity – and in guiding developments in sports governance and in the sports ecosystem in general, to uphold our shared values.