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Recommendation of the Council on  
Global Events and Local  
Development



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## Date(s)

Adopted on 30/05/2018

## Background Information

The Recommendation on Global Events and Local Development was adopted by the Council meeting at Ministerial level on 30 May 2018. It aims to provide Adherents with a comprehensive overview of the main tenets of the framework conditions required to realise more sustainable global events and more effective delivery mechanisms and to build stronger capacities to leverage local benefits.

### ***OECD's expertise on the hosting of global events***

The hosting of global events such as Olympics Games, World Expos, World Cups, Cultural Festivals, and others have long been seen as opportunities to stimulate growth and development in the countries (in particular the cities) that host them. Hosts are increasingly seeking to ensure that such events act as catalysts for local development, often used to leverage long-term infrastructure investments, boost tourism and trade, create jobs and promote community development.

Bidding for and delivering successful global events demands that governance, investment, infrastructure, urban development, economic development, social inclusion, environment, culture, business development and job creation align. However, to fulfil these ambitions global events must be deliberately designed and executed in ways which can generate long-term benefits.

More than ever, catalytic projects such as global events need to demonstrate clearly how they impact upon cities and nations to contribute to economic growth and development. Tax incentives, investment, and sponsorship deals must be carefully considered and managed to optimise benefits for all event partners. There is increasing demand by governments, cities, communities, operators, non-governmental or civil society organisations for more innovative and more effective approaches to the delivery of global events.

The OECD has been providing policy guidance on global events and local development to OECD Members and Partners for the last decade, covering a wide range of events including Olympic Games, single sport events and cultural events. In particular, the OECD Directing Committee of the Co-operative Action Programme on Local Economic and Employment Development (LEED) which is served by the Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) adopted in 2016 the [\*Principles for Leveraging Local Benefits from Global sporting Events\*](#) to help ensure that global events contribute to enabling sustainable and inclusive local growth.

Building on this uptake, including beyond the topic of sports, the French Ministry of Sports proposed that the LEED Directing Committee develop a Recommendation with a view to create a comprehensive framework that can facilitate and support the sustainability and legacy of all global events as vehicles of public good, policy complementarities, and local economic development.

### ***Global development as catalysts for local development***

The Recommendation captures the main messages from OECD long-standing work and aims to address the pressing issues that central and sub-national authorities need to respond to.

It is a concise and coherent legal instrument providing high-level policy guidance on a range of topics relevant for global events and local development to realise more sustainable global events, more effective delivery mechanisms and to build stronger capacities to leverage local benefits.

The Recommendation sets out a number of measures that Adherents should consider so that global events serve as catalysts for local development. Notably, it recommends that Adherents:

- develop and implement a tailored framework for global events that leverages local economic, social and environmental benefits that applies throughout the event life-cycle;

- evaluate the global event with a view to assess its impact, legacy and ultimate contribution to local development and citizens' well-being;
- ensure effective multi-level governance, co-ordination, collaboration and institutional capacity throughout the cycle to deliver an event and its legacy; and
- establish collaborative partner relations with international event owners to optimise the conditions for the delivery of local development outcomes.

***An inclusive process to develop and support the implementation***

The Recommendation benefited from a large consultation process which involved a range of OECD committees, partner institutions and networks, in particular the Business and Industry Advisory Committee (BIAC), the Trade Union Advisory Committee (TUAC), the International Labour Organisation (ILO), the International Olympic Committee (IOC), University of Le Mans, the Fédération Internationale de Football Association (FIFA), the International Association of Event Hosts (IAEH), the City of Paris, London, the University of the West of Scotland, the Institute for Human Rights and Business and the Conseil Scientifique de l'Observatoire de l'Economie du Sport.

In order to provide support to Adherents in implementing the Recommendation, the OECD will work, in the coming months, on an implementation toolkit with a particular focus on an evaluation framework for assessing the economic, social and environmental benefits and impacts of global events that is relevant to all levels of government. The toolkit will be developed through an inclusive process involving all relevant stakeholders and will provide detailed guidance, a menu of options and tools as well as international good practices on how to implement the provisions of the Recommendation. The new evaluation framework and toolkits will benefit all future candidate and event hosts, thus creating a level playing field and broadening the reach and potential from global events.

*For more information, please consult <http://oe.cd/global-events>.*

*Contact information: [debra.mountford@oecd.org](mailto:debra.mountford@oecd.org). Centre for Entrepreneurship, SMEs, Regions and Cities.*

## **THE COUNCIL,**

**HAVING REGARD** to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

**HAVING REGARD** to the OECD Guidelines for Multinational Enterprises [C(76)99/FINAL]; the Recommendation of the Council on OECD Guidelines for Managing Conflict of Interest in the Public Service [C(2003)107]; the Recommendation of the Council on Private Sector Participation in Infrastructure [C(2007)23/FINAL]; the Recommendation of the Council for Further Combating Bribery of Foreign Public Officials in International Business Transactions which has in Annex II “Good Practice Guidance on Internal Controls, Ethics, and Compliance”) [C(2009)159/REV1/FINAL]; the Recommendation of the Council on Principles for Public Governance of Public-Private Partnerships [C(2012)86]; the Recommendation of the Council on Fighting Bid Rigging in Public Procurement [C(2012)115]; the Recommendation of Council on Effective Public Investment Across Levels of Government [C(2014)32]; Recommendation of the Council on Public Procurement [C(2015)2]; the Recommendation of the Council on Principles of Corporate Governance [C(2015)84]; the Recommendation of the Council on Guidelines on Corporate Governance of State-Owned Enterprises [C(2015)85]; the Recommendation of the Council on Principles for Transparency and Integrity in Lobbying [C(2010)16]; and the Recommendation of the Council on Public Integrity [C(2017)5];

**HAVING REGARD** to the Principles for Leveraging Local Benefits from Global Sporting Events (hereafter the “Principles”) adopted by the Directing Committee of the Co-operative Action Programme on Local Economic and Employment Development on 19-20 May 2016 which have been used extensively by several OECD Members to guide their policy dialogues, multi-stakeholder platforms, and decision-making processes about bidding, hosting and evaluating global events;

**HAVING REGARD** to the Sustainable Development Goals, in particular goals 5, 6, 8, 9, 11, 12, 13 and 15 set out in the 2030 Agenda for Sustainable Development adopted by the United Nations General Assembly (A/RES/70/1);

**RECOGNISING** that global events can generate economic, social, cultural, educational and environmental benefits and serve as catalysts for local economic development and employment and that the organisation of those events can have an impact on inclusive growth and the improved well-being of citizens;

**RECOGNISING** that the public investments which are necessary to global events can accrue local development benefits for the host and need to be delivered in full integrity and transparency;

**RECOGNISING** the need for a strong legacy from hosting global events;

**RECOGNISING** that hosting global events successfully requires effective multi- criteria analysis, multi-stakeholder consultation and multi-level governance in strategic planning, decision-making, and investment to avoid co-ordination failures which can lead to opportunity costs, duplication, and lack of critical mass;

**RECOGNISING** that global events can leverage investment, urban, rural and infrastructure development towards progressive opportunities for further job creation, community development, business development, environmental protection, social cohesion and post-event uses;

**CONSIDERING** the efforts of the international community, in particular the International Labour Organisation, to promote the respect of recognised human, labour rights and relevant standards across the event lifecycle;

**CONSIDERING** that global events may be hosted, partly or wholly, by sub-national levels of government (such as a city or a region), and that therefore this Recommendation is relevant to all levels of government that host, organise and administer such events according to their existing legal and institutional framework.

**On the proposal of the Directing Committee of the Co-operative Action Programme on Local Economic and Employment Development:**

**I. AGREES** that, for the purpose of the present Recommendation, the following definitions are used:

- “Global events” means events of a limited duration that have a global reach (in terms of participation, audience and/or media coverage), require public significant investment and have an impact on the population and built environment. Recurrent events can be covered as appropriate.
- “Legacy” means the planned and unplanned outcomes from the bidding and hosting of a global event.

**II. RECOMMENDS** that Members and non-Members having adhered to this Recommendation (hereafter the “Adherents”) develop and implement a framework for global events that leverages local economic, social and environmental benefits that applies throughout the event life-cycle and beyond . Such framework should ensure proper management of conflict of interest and be proportional and tailored to the specificity of the global event adapting to its size and scale. To that effect, Adherents should, as appropriate:

**Pre-bidding, bidding and planning of global events**

1. Identify expected social, environmental and economic benefits and impacts of hosting a global event as early as possible in order to provide the evidence base to guide decisions. In particular, Adherents should:
  - a. set specific objectives in terms of public value when the event benefits from public funds, and commit to public value assessments to ensure the legacy can be leveraged ex-ante, during and ex-post;
  - b. ensure that the identification of benefits and impacts are technically-sound with a view to prevent negative impacts;
  - c. ensure that costs are justified, proportionate and that a holistic approach is taken to maximise benefits ;
  - d. consider the relevance of the proposition to bid for an event against its alignment with city, regional and national strategic objectives, an appraisal of its technical credentials and a transparent process of consultation of relevant stakeholders.
2. Align the bidding process with existing plans and strategies for urban and regional development across a functional urban area so that bids can effectively support and serve long-term growth and development objectives at a wider territorial scale and long-term local economic development whether or not the event is awarded.
3. Plan the expected new infrastructure and investment in ways that can capture value, regenerate urban areas experiencing decline or spread benefits across administrative boundaries; including post event projects and their ownership.
4. Assess the environmental impact of the bid and design strategies to develop green infrastructure, reuse or recycle materials, eliminate food waste, incorporate reusable energy, enable public transit to reduce the carbon footprint to ensure the sustainability of the event.
5. Assess and consider upstream the requirements and implications in terms of transport infrastructure investment, in particular concerning mobility, in order to determine what needs to be done to enable the city to successfully accommodate these requirements.
6. Develop dedicated evidence-based tourism strategies which assess the potential of the bid to contribute to the local, regional or national tourism strategies and the structural expansion of the visitor economy and identify investment potential and manage visitor flows.

7. Avoid unnecessary complexity of event organisation and promote targeted use of public funds with a view to restrict the total costs of global events.

### **Operational and delivery phases of global events**

1. Design and implement result-oriented investment strategies with clearly-defined policy goals and outcomes to be achieved, such as well-designed tendering procedures, transparent supply chains, regular reflection on and upgrading of investment choices, active exchange of information, and mutual learning among investment actors.

2. Maximise existing urban and rural development and infrastructure plans taking into consideration post-event usages of improved land and buildings to align with local policy objectives taking into account the local characteristics and the needs of local communities.

3. Design and implement employment and skills strategies to create local job opportunities and develop the skills base of local residents. Adherents should:

- a. use the employment created as an opportunity to develop the skills of workers, particularly temporary and low-skilled workers, who are then better prepared to pursue high-quality jobs, thus contributing to inclusive and productive labour markets;
- b. enable the upskilling of local workers and support industries engaged in global event delivery (i) to create specialised events expertise in existing services to contribute to the transfer of knowledge to future events and (ii) to boost capabilities applicable to other forms of economic activity where possible, in order to contribute to more sustainable employment outcomes.
- c. consider in the design and planning of such events how they can support gender equality and the inclusion of people with disabilities as well as increase the labour market participation of disadvantaged groups.

4. Design cultural programmes and strategies related to global events that can foster inclusiveness and engagement for people and places to achieve an integrated approach.

5. Take into account property markets as property prices are likely to increase where construction is underway ahead of an event and balance between the needs of local communities and opportunities for investment to optimise the local benefits.

6. Promote the use of strategic procurement, including sustainability objectives in particular through social and environmental clauses to ensure that the local population gain access to employment opportunities and benefits from skills training in relevant sectors such as construction, hospitality and security and to safeguard the environment

7. Consult and engage the private sector and business support agencies on designing strategic approaches to facilitate access to supply chains, promote investment, ensure that labour rights are respected and create opportunities for local economic and employment development.

**III. RECOMMENDS** that Adherents evaluate the global event with a view to assess its impact, legacy and ultimate contribution to local development and citizens' well-being. To that effect, Adherents should, as appropriate:

1. Carry out ex-ante evaluation with a view to provide accurate data and information related to the event in terms of costs, results and impacts. Such ex-ante evaluation should:

- a. be based on cost benefit analysis as well social and environmental impact analysis, including the costs (or business case) of dismantling facilities;
- b. be independent, open, transparent and overseen by the competent national authority in cases where the bid benefits from public guarantees;
- c. enable an ongoing process of evaluation throughout the event lifecycle and beyond.

2. Develop an evaluation strategy which:
  - a. defines at the outset what the expected legacy should be, with clear and measurable targets, and sets longitudinal requirements for measuring and evaluating impacts and outcomes (i.e. 1 year, 5 years, and 10 years following delivery);
  - b. ensures an independent and transparent review of the bid and proposed budget which takes into account known risks and risk mitigation plans;
  - c. includes indicators that can measure the success in achieving a “future vision” of the economy, working across administrations responsible for education, training, employment and social assistance, as well as operators in the field, in order to monitor actions and impacts across the policy spectrum and different spatial scales;
  - d. uses multi-criteria assessments, meta-analysis and social value capture evaluations which include qualitative, quantitative and comparative information as mechanisms to measure non-tangible outcomes;
  - e. uses relevant and appropriate oversight bodies or umbrella organisations such as national statistics offices, public accounts bodies, event delivery bodies and local governments’ networks, to carry out independent evaluations of impacts and outcomes;
  - f. uses ex-post cost benefit analysis to monitor the short, medium and long-term impacts of an event and assess how evaluations are implemented and set up rigorous criteria that enables comparison across different types of events in different geographic areas which should be set to monitor public expenditure and impact at all levels;
  - g. ensures the use of consistent criteria and methodologies for ex-post and ex-ante cost benefit analysis and environmental impact assessment;
  - h. implements a risk management framework throughout the event lifecycle;
  - i. sets up monitoring frameworks to map the return of investment as well as the return of influence generated throughout the event lifecycle.

**IV. RECOMMENDS** that Adherents ensure effective multi-level governance, co-ordination and capacity throughout the event lifecycle and beyond to deliver the event and its legacy. To that effect, Adherents should, as appropriate:

1. Define from the bidding phase the scope and competences of all relevant public entities at all levels of government and monitor implementation to adjust as appropriate throughout the event lifecycle.
2. Assess existing governance arrangements and capacity to oversee and deliver the event, and create new mechanisms where appropriate to ensure that decision-making processes are transparent and accountable with the engagement of public, private and non-profit sectors.
3. Ensure proper co-ordination of the policies and actions across all relevant public entities and at all levels of government, e.g. through a dedicated coordinating body, with a view to strengthen the efficiency and effectiveness of investments, planned developments, local employment strategies and to plan and deliver the event in a timely manner.
4. Strengthen the management capability in the public administration and make appropriate investments in personnel, skills and infrastructure where necessary and pay due attention to effective human resources management, as well as to cultivating knowledge and relationships for the long-term local benefit.
5. Set up budgeting and financial mechanisms such as accurately costing bid proposals and associated investments and duly considering long-term operating and maintenance costs, in line with the existing public oversight system. This includes proper budgetary treatment of public private partnerships, local public enterprises, and any associated contingent liabilities.
6. Ensure transparency and accountability through an inclusive and open consultation process and effective stakeholder engagement by:

- a. securing multi-stakeholder buy-in to core values and principles for the event and its supporting processes to create long-term community legacies;
- b. exposing, in a timely and quality manner to public scrutiny data and information on public investment and expenditures especially on the costs (tangible or not), benefits and impact of the global event on the economy, environment, and social cohesion;
- c. securing local community support and engagement throughout the event lifecycle such as using digital platforms, open government data, crowdsourcing and citizen monitoring;
- d. seeking a balance when incorporating stakeholders' views, taking action to prevent disproportionate influence by special interest groups.

**V. RECOMMENDS** that Adherents establish collaborative partner relations with global event owners and other previous or awarded host cities with a view to optimise the conditions for the delivery of local and national development outcomes, knowledge transfer and to provide for the mitigation of risk by all parties. To that effect, Adherents should, as appropriate:

- a. Develop relationships with international event owners which seek to align wider reform agendas closely with local and national development objectives;
- b. Define and implement a framework of responsibilities which promotes shared, cross-organisational accountability for the delivery of development outcomes across all partners;
- c. Define and implement partner-agreed, robust and proportionate fiscal control mechanisms which reverse the trend of major event cost escalation and optimise financial investment toward development outcomes.

**VI. INVITES** the Secretary-General to disseminate this Recommendation.

**VII. INVITES** Adherents to disseminate this Recommendation at all levels of government.

**VIII. INVITES** non-Adherents to take account of and adhere to this Recommendation.

**IX. INSTRUCTS** the Directing Committee of the Co-operative Action Programme on Local Economic and Employment Development in consultation with relevant OECD committees to:

- a. serve as a forum to exchange information on experiences with respect to the implementation of this Recommendation;
- b. develop, through an inclusive process, an implementation toolkit that helps Adherents implement the Recommendation and includes an evaluation framework for assessing the economic, social and environmental benefits and impacts of global events that is relevant to all levels of government;
- c. monitor the implementation of this Recommendation and report thereon to the Council no later than six years following its adoption and regularly as appropriate thereafter.



## Adherents\*

### OECD Members

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- **Decisions:** OECD legal instruments which are legally binding on all Members except those which abstain at the time of adoption. While they are not international treaties, they entail the same kind of legal obligations. Adherents are obliged to implement Decisions and must take the measures necessary for such implementation.
- **Recommendations:** OECD legal instruments which are not legally binding but practice accords them great moral force as representing the political will of Adherents. There is an expectation that Adherents will do their utmost to fully implement a Recommendation. Thus, Members which do not intend to do so usually abstain when a Recommendation is adopted, although this is not required in legal terms.
- **Declarations:** OECD legal instruments which are prepared within the Organisation, generally within a subsidiary body. They usually set general principles or long-term goals, have a solemn character and are usually adopted at Ministerial meetings of the Council or of committees of the Organisation.
- **International Agreements:** OECD legal instruments negotiated and concluded within the framework of the Organisation. They are legally binding on the Parties.
- **Arrangement, Understanding and Others:** several ad hoc substantive legal instruments have been developed within the OECD framework over time, such as the Arrangement on Officially Supported Export Credits, the International Understanding on Maritime Transport Principles and the Development Assistance Committee (DAC) Recommendations.