

COMMONWEALTH SPORT TRUST

BACKGROUND NOTE

The relationship of the Commonwealth Sport Trust to both the Commonwealth Heads of Government Meetings (CHOGM) and to the Commonwealth Games Federation (CGF) is crucial to the operation of the proposed new structure. A key function of the Trust would be to support and strengthen the CGF and national Commonwealth Games Associations by, among other things, raising money for the Federation to carry out its mandate as governing body of the Games.

The mandate of the Trust is another important question. As now proposed, the principal role of the Trust is to direct funding to ensure good Games management and continued strengthening of Commonwealth sport relations. In the initial four-to-five-year period, it is envisaged that to fund some of the initiatives, the capital accumulated would not be touched, but rather used to generate revenues. At the same time, efforts would be undertaken to increase, through other than government sources, the capital base of the Trust.

For purposes of discussion, the following assumptions have been made in developing the proposal. Revenues earned by the Trust would be devoted to such programmes as Hosting Assistance, Travel Stabilization and Sport Development Assistance. The Trust would also be mandated to manage these programmes directly, at least for an initial period of four to five years. The Trust would not be a profit-making body. Indeed, if contributions to the Trust could be designated as "charitable" donations, this would be an added incentive to solicit contributions from the private sector.

The Trust would report to CHOGM, but it would not be primarily an agency of Governments. It is proposed that Governments would provide seed funding and, given their funding role, have a say in the management of their contributions. They would, however, not be the only contributors. As the role of governments diminish, it will be vital that the Trust take steps to