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SUMMARY OF THE IMPACT ASSESSMENT

Accompanying document to the

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

Developing the European Dimension in Sport

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This impact assessment accompanies the Commission's Communication on "Developing the European Dimension in Sport". A summary of the main aspects of the impact assessment is presented hereafter.

Background

Article 165 of the Treaty on the Functioning of the European Union (TFEU) gives the EU a new competence to support, coordinate or supplement the actions of the Member States in the field of sport. The Treaty calls on the EU to contribute to the promotion of sporting issues and provides for EU action aimed at developing the European dimension in sport.

Article 165 TFEU also contains a reference to "incentive measures in the field of sport", based on which the Commission could have considered proposing a new spending scheme within the ongoing Financial Perspectives, for instance a limited 2-year EU sport programme. While there is awareness within the Commission of the high expectations from sport stakeholders regarding financial support from the EU in line with the Treaty mandate, an analysis of the current situation has led to the conclusion that there are important budgetary and substantive constraints pleading against such a proposal at this stage. Firstly, the remaining margin within the relevant chapter of the EU budget is very limited. Thus, a financial volume which could have allowed a first EU Sport Programme that would have had the potential of meeting its objectives could not be proposed. Secondly, the ongoing 2009 and 2010 Preparatory Actions in the field of sport have not yet been subject to an independent evaluation to justify the EU added value of a programme. An Impact Assessment for a future EU Sport Programme (as of 2014), drawing on the evaluation of the relevant Preparatory Actions in the field of sport, can only be completed in 2011. These considerations have led DG Education and Culture to reconsider its initial plan for a 2010 initiative combining a policy proposal with a spending programme.

This impact assessment is therefore carried out solely for a policy initiative (Communication) to implement the Lisbon Treaty in the field of sport. It builds on the new Treaty provisions and on a wealth of information gathered in the informal EU cooperation on sport over the past years, in particular the experience gained with the implementation of the 2007 White Paper on Sport and through a broad consultation process carried out in 2010.

Problem definition

As a first step, the impact assessment addresses the need for EU action by identifying the main general and specific problems facing sport at EU level. Evidence suggests that there is scope for furthering the positive values and effects of sport, that there are threats jeopardising the sector's potential to contribute to society and to the economy, and that the development of the sport sector faces particular challenges.

However, no strategy has existed so far for an EU approach to sport that would engage the Commission and the Member States on the basis of a common agenda and that would be able to address the challenges in a comprehensive manner. The full potential of the sport sector to contribute to the EU's strategic objectives in the social and economic fields has so far remained unexploited.

The identification of the specific problems and challenges was conducted keeping in mind the Treaty's mandate and the necessity to exclusively address problems that are relevant at EU level (subsidiarity). They have been identified as follows:

- Challenges connected with sport's health-enhancing, social and educational functions:
 - Health concerns due to lack of physical activity;
 - Social exclusion of disadvantaged groups and unused potential of sport;
 - Unadapted systems to combine sport and education;
- Challenges for sustainable sport structures:
 - Insufficient support for voluntary activity;
 - Current and future challenges to the sustainable funding of sport, also in light of the regulatory changes in Member States in the gambling sector;
 - Inadequate protection of intellectual property rights;
- Doping as a threat to the physical and moral integrity of sportspeople;
- Discrimination in sport on grounds of nationality;
- Unused scope for improving EU-level dialogue on sport;
- Perceived lack of legal clarity regarding the application of EU law to sport;
- Insufficient information on sport for the EU-27.

Objectives

In a second step, the impact assessment identifies the objectives of the planned initiative. Overall, the planned initiative should aim at making a contribution to the EU's overarching objectives laid down in the Europe 2020 strategy in terms of sustainable growth, fighting unemployment, reinforcing social inclusion and advancing people's Europe.

In *strategic* terms, the planned initiative should aim at providing the Commission and the Member States with a framework for EU-level activities in the field of sport that should foresee actions to be carried out on the basis of Article 165 TFEU.

In line with the specific challenges identified, the impact assessment elaborates on the *specific objectives* that the planned initiative should aim to achieve:

- Promote the health-enhancing, social and educational functions of sport;
- Support sport structures based on voluntary activity;
- Protect the physical and moral integrity of sportspeople;
- Promote fairness and openness in sporting competitions;

- Enhance dialogue and cooperation with sport stakeholders;
- Increase understanding of the application of EU law to sport;
- Support an evidence base for sport in the EU-27.

Under this chapter, the impact assessment furthermore analyses whether EU action is justified on grounds of subsidiarity and it describes the EU added value of the planned initiative.

In line with the Treaty mandate and since Member States have full competence in the field of sport, the EU initiative will not substitute the actions of the Member States but propose additional action in full respect of subsidiarity requirements and in areas where experience has demonstrated that progress in addressing the challenges identified cannot be sufficiently achieved by Member States in the framework of their national constitutional systems. The planned initiative will not go beyond what is necessary to achieve the defined objectives, but take account of proportionality requirements and the Treaty mandate, which excludes harmonisation and only provides for soft tools for EU-level action. The planned EU initiative will be implemented on the basis of existing national and European structures.

Regarding the rationale for European added value, the EU will act as a catalyst in order to increase the impact of national actions in the interest of sport. The EU-level initiative will allow for the development of activities that establish links between different organisations and actors in and outside sport, including in particular public authorities at European, national, regional and local levels, sport organisations, sport-related organisations, and educational bodies. The actions will lead to the exchange of know-how and good practices in different areas relating to sport and physical activity (e.g. health, education, social inclusion). The EU can thereby provide opportunities for cooperation among stakeholders that would not have existed without EU action.

Policy options

In a third step, the impact assessment identifies three policy options that represent possible toolsets to meet the objectives identified:

- Option A: Cooperation based on the 2007 White Paper on Sport (baseline scenario);
- Option B: Definition of a strategic medium-term framework for cooperation in sport, based on a new EU Agenda for sport (framework + new agenda);
- Option C: Definition of a strategic long-term policy framework, based on the creation of an Open Method of Coordination in the field of sport (long-term framework + OMC).

Assessment of impacts

In the next chapter, each of the three policy options is assessed in relation to

- (1) expected economic, social and environmental impacts, including an assessment of most important impacts in terms of likelihood and magnitude;
- (2) efficiency, which considers the relationship between inputs and the desired impacts and it also assesses the Commission's ability to deliver;

- (3) effectiveness, which considers the likelihood of achieving the objectives the initiative tends to achieve;
- (4) coherence in relation to overarching goals of EU policy.

a) Common to all options are the positive social and, to a lesser extent, economic impacts that could generally be expected from measures at EU level aimed at promoting the societal functions of sport through action in core areas, i.e. *health-enhancing physical activity, social inclusion, education and training, and voluntary activity* (e.g. leading to healthier and more inclusive societies as well as to enhanced employability). Strategically oriented and coordinated policy approaches as provided for under Options B and C and in particular an OMC (Option C) are likely to strengthen these positive effects. Further political efforts to *fight doping* involving relevant stakeholders at national, European and international levels is likely to have an indirect positive effect in terms of an improved image for sport in society and credibility for sporting competitions.

New action aimed at policy coordination in other areas, such as support for sport structures (e.g. action aimed at ensuring *sustainable financing* of grassroots sport) potentially has positive economic impact in terms of more stable and better adapted sport structures in increasingly competitive markets, which potentially enhances the quality of sport services, which in turn can help to ensure people's access to local sport structures. Political approaches to tackle discrimination in sport (e.g. action in the field of *free movement of sportspeople*) can have a positive impact on the functioning of the Internal Market and can also help avoiding discrimination of EU citizens. Policy action aimed at more *legal clarity* regarding sporting rules through increased understanding about the application of EU law to sport thanks to specific guidance at EU level is likely to have a positive impact on the functioning of the Internal Market, as it potentially helps the sport sector to develop its activities within a sound legal framework. It can also help avoid tensions between different actors or legal conflicts. Support aimed at improving *EU dialogue and cooperation* structures can lead to better cooperation with stakeholders as well as inclusive and transparent processes. Experience from other sectors, e.g. education, culture, youth, shows that political support for developing an *evidence base for the EU-27* can lead to better informed national and European policy making based on sound economic reasoning, for instance regarding public spending or investment decisions. Access to information of sufficient quality can equally benefit other actors, such as sport organisations, which have to ensure sound economic management of their activities.

Regarding environmental impacts, the report recognises that sport, in particular large sport events, can to some extent negatively affect the environment. All options, although to different degrees, can potentially promote environmentally friendly approaches.

Each of the options is then assessed in terms of the likelihood that the most important and desired positive impacts will occur and their magnitude. The most important impacts are identified to be threefold: *improvement of public health, social inclusion of disadvantaged groups, and contribution to employability and jobs*. The likelihood and magnitude is generally found to be higher for Options B and C than for Option A given the strategic political framework and new actions foreseen under these options as compared to the baseline.

b) The efficiency of Option A has been assessed very low, despite the positively rated human resources implications and despite the fact that the Commission would have the systemic capability to deliver. The reason for this assessment are the high likelihood that this Option would not reach desired impacts and the fact that a mere continuation of ongoing activities

appears to be difficult to justify in light of the new Treaty mandate that explicitly calls for EU action in the field of sport. In contrast to Option A, Option C requires proportionately high inputs in terms of human resources, while the likelihood of this option to reach desired impacts is high to very high. An improvement of efficiency must therefore be assumed for Option C in relation to the baseline. Regarding the ability to deliver, there is to date no experience with launching an OMC in a new horizontal policy area like sport. At this early stage of formal EU cooperation in the field of sport, there is not yet sufficient evidence for a developing consensus for an OMC. Option C's ability to deliver has therefore been rated negative in comparison with the baseline. The assessment of efficiency of Option B comes to a more balanced result as regards both the relationship between impacts (high likelihood of reaching desired impacts) and inputs (no additional human resources needs). Moreover, the ability to deliver has been rated very high as compared to the baseline, given the stated support from governments and stakeholders for the approach suggested under Option B. Overall efficiency for Option B has therefore attained the highest score among the options.

c) Regarding its effectiveness, each option is assessed with regard to the strategic objective (new strategic approach to EU-level cooperation in sport) and the seven specific objectives that the initiative aims to achieve. Option A does not meet the strategic objective and only makes a very limited contribution to achieving the specific objectives. Options B and C, through the creation of an EU framework for sport, can reach the strategic objective. Concerning the achievement of objectives related to core areas where an OMC can most likely be implemented, the effectiveness of Option C is rated higher than that of Option B. Similarly, through targeted actions foreseen in the EU Agenda for areas aimed at tackling objectives relating to fairness and openness in competitions, dialogue and cooperation in sport, and regarding more clarity on the application of EU law to sport, Option B must be rated higher than Option C. As an aggregated score, the likelihood of Option C to reach the objectives is assessed to be slightly higher than that of Option B.

d) The coherence of the options is assessed with regard to the overarching goals of the Europe 2020 strategy, the EU Health Strategy and the functioning of the Internal Market. Option A, given the lack of any new action, is not considered to be coherent with the overarching goals. Options B and C both make a contribution to growth and jobs, public health, and to the Internal Market. It is assumed that a long-term policy approach providing for an OMC is a slightly more coherent approach to reach general EU policy goals, in particular those relating to Europe 2020 (by helping the sport sector develop its full growth and jobs potential), which is expressed in the slightly higher value of Option C in comparison with Option B.

Comparison of options / choice of preferred option

The following chapter of the report summarises the comparison of the options in light of the four criteria based on the assessment of impacts, efficiency, effectiveness and coherence.

- The positive economic and social impacts of Options B and C are likely to be similar, while the new EU Agenda, provided for under Option B, seems particularly conducive to furthering them. The level of impact can be expected to be slightly higher under Option C, that would result in an OMC for certain core areas of EU-level cooperation in sport (e.g. health-enhancing physical activity).
- Concerning efficiency, Options A must be rated very low. Despite a much higher level of inputs, Option C is likely to be more efficient as compared to the baseline, but more difficult to deliver. Option B is more efficient than the baseline and more efficient than

Option C. Moreover, the Commission's ability to deliver desired impacts reaches the highest score under Option B.

- Regarding effectiveness, the attainment of the objectives cannot be guaranteed under Option A, while Options B and C both reach the strategic objective and the specific objectives. Option C is likely to produce slightly higher effects.
- Regarding the coherence criterion, Option A is not conducive to achieving the EU's overarching social and economic goals while Options B and C can both make a valuable contribution. Option C, providing for an OMC, is considered the most suitable instrument.

The impact assessment concludes that Option B is the most appropriate way to respond to the challenges faced by sport in the EU and to implement the sport provisions of Article 165 TFEU. Option B is the most balanced option and the one that is likely to provide the greatest net benefits in this phase of developing the EU dimension in sport.

On this basis, the Commission will propose a **Communication defining a policy framework for cooperation in sport at EU level, including a new EU Agenda for sport**. The Communication should also announce an Impact Assessment for a possible EU Sport Programme from 2014 onwards, in order to complement the cooperation framework.

Monitoring and Evaluation

Finally, the impact assessment presents an overview of the planned steps regarding monitoring and evaluation, notably by listing a first set of core indicators of progress towards meeting the general and specific objectives pursued by the proposed initiative (Option B). Part of the proposed EU framework for cooperation in sport will be an evaluation in 2015, which should provide an opportunity to consider the possible introduction of an OMC for certain aspects of cooperation in sport at EU level.