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EUROPEAN COMMISSION

Communication on Sport

On 18 January the European Commission published its long-awaited Communication on Sport, entitled 'Developing the European Dimension in Sport'. A Communication is a non-legislative publication from the Commission which provides an action-plan for the given subject. The Communication outlines the Commission's priorities for the period from 2011-2015 and includes several of the recommendations from the Sport and Recreation Alliance's submission to the 2010 consultation.

Particularly pleasing are the references to intellectual property rights and the inclusion of sport within the structural funds. However sport needs to be wary about proposed work on non-national participation in individual competitions, state aid, possible harmonisation of anti-doping legislation and players' agents. Overall the Communication seems generally positive and sport has plenty of reason to be optimistic moving forward.

It should be noted that the Communication is not legally binding, but it is politically binding. This means it will empower the Commission and member states to act accordingly, while it can also be used as a basis for determining European Court of Justice rulings. The paper is meant to supplement, rather than replace, the 2007 White Paper on Sport.

What this means for sport

The Commission has told the Sport and Recreation Alliance that, while state aid and individual sporting competitions have been examined in the Communication, there should not be any compliance requirements from Brussels unless the Commission receives a great deal more evidence that sport is contravening European law. The Commission looks set to concentrate on commercial matters in which the EU already affects sport, rather than directly interfering in sport.

For more information

[The Sport and Recreation Alliance's briefing on the European Communication.](#)

You can access the full text of the [European Commission's Sports Unit's Communication on Sport](#).

EU Sports Forum and Informal Sports Ministers' Meeting

The EU Sports Forum took place in Budapest on 21/22 February 2011. It provided an opportunity for policy makers and key stakeholders from across Europe, including the Sport and Recreation Alliance, to discuss the key issues affecting sport. Much of the discussion was driven by the recently published EU Communication on Sport as the Commission looks to build on these recommendations in the coming years.

The event took place in conjunction with the informal Sports Ministers' meeting on 22/23 February. The Hungarian Presidency of the EU had the opportunity to outline its work programme for the coming months, which will focus particularly on the role of sport in enhancing social cohesion, cultural diversity and the engagement of the EU with the World Anti-Doping Association (WADA) Foundation Board.

UK Sports Minister Hugh Robertson attended the event and had the opportunity to put forward the UK's key sporting priorities. The Sport and Recreation Alliance had drawn his attention specifically to EU VAT arrangements for sport, the widening of the scope of the European Structural Funds, ensuring the UK remains in control of its own lottery and gambling policies and the integrity of sporting competitions.

[A summary of the EU Sports Forum can be found here](#)

European Year of Volunteering

Each year, the European Union focuses its attention on a different aspect of European society through its 'European Years' programme. The aim of these year long campaigns is to raise public awareness about a certain issue, by boosting participation and focusing the attention of national governments on a particular topic.

As such, 2011 has been designated the '[European Year of Volunteering](#)'. This is of particular relevance to sport given that 83% of sports clubs in the UK rely on volunteers in some capacity. Sport can use the European Year of Volunteering as a vehicle to highlight the integral role that volunteers play in the sector and to help promote itself as the largest social movement in Europe.

EUROPEAN PARLIAMENT

Written Declaration on grassroots sport

Back in December, the European Parliament adopted a Written Declaration on increased European Union support for grassroots sport. The Written Declaration, similar to an Early Day Motion in Westminster, was tabled by a cross-party group of MEP's and gained the support of the required majority of 385 MEP's. Given that Written Declarations seldom achieve the required number of signatories to be

formally adopted, this is a major boost for grassroots sport in the European Union.

The document calls on the Commission and member states to promote sport more widely, particularly to under represented groups in society, endorses sport's role as an educational tool and calls on legislators to ensure funding for grassroots sport is not cut during periods of economic austerity. It also calls on the Commission to consider how gambling revenues can be incorporated into the financing of sport.

The Declaration will be forwarded to the Commission and the parliaments of the member states, clearly demonstrating to them the high level of support for grassroots sport in Europe. This will hopefully manifest itself as concrete policy recommendations that will benefit grassroots sports.

[The full text of the Written Declaration on grassroots sport.](#)

What this means for sport

It's unusual for a Written Declaration to gain enough signatures to be adopted, so this shows that the European Parliament has a firm interest in sport. The Parliament has often been sport's friend, campaigning for more funding for sport. If you'd like to know how you can and why you should interact with European Parliamentarians, contact our UK & EU Policy Officer [David Foster](#).

STUDIES

Non-nationals in individual competitions

In January the European Commission published its study on the equal treatment of non-nationals in individual sports competitions. The study was critical of sports which prevented non-nationals from taking part in national competitions. While the study addresses the restrictions associated with accessing individual sporting competitions by non-nationals in the EU member states, it does not represent the Commission's formal position, as this is yet to be determined. It should also be pointed out that this study is merely an indicative analysis of these issues so it is not legally binding.

What this means for sport

Free movement of sports people is very much an issue on the Commission's radar and it anticipates issuing guidance on how sport can reconcile the provisions of the Treaty in this regard. However, the Commission has told the Sport and Recreation Alliance that it is most likely to be just advice, and nothing binding. Sport must continue to defend its autonomous right to organise itself on a national basis and its specific nature must be considered when dealing with this subject. The worst case scenario would see national championships needing to be reconfigured to meet the free movement and anti-discrimination requirements.

[The Sport and Recreation Alliance's summary of the study into non-nationals in individual competitions.](#)

[The full study is available from the European Commission's Sports Unit website.](#)

EU grassroots sports study

The European Commission is in the process of conducting a study into the funding of grassroots sports in the 27 member states. The study aims to analyse the barriers to sport funding and to identify ways of strengthening the development of grassroots sport across the European Union. The final report is due to be published later this year.

As part of the study, sports clubs around Europe were surveyed to better understand how they are financed and structured, as well as the difficulties they face. The survey consisted of comparative studies in the European member states particularly in football, gymnastics, tennis, basketball and athletics, but contributions from all sports were welcome. The Sport and Recreation Alliance received an advanced presentation on the report. The study is set to show, for example, that people in the UK pay more for their sport than in other European countries. The report is also likely to suggest that clubs that employ at least one person full time can actually reduce their fees to members through increased efficiencies.

What this means for sport

Europe is long overdue proper comparative data on how grassroots clubs are run. If enough clubs have taken part the information gained from across Europe can not only tell the UK how healthy its grassroots clubs are, but also help find best practice which can benefit domestic clubs.

House of Lords EU grassroots study

The House of Lords EU Social Policies and Consumer Protection Sub-Committee is currently conducting an inquiry into EU sports policy and grassroots sports. The Committee has been gathering evidence to inform its response to the Commission Communication on sport, which will include recommendations to the Government and the European institutions. A wide variety of European and national stakeholders have given evidence, including national governing bodies, sports associations and MEPs.

The inquiry should produce coherent recommendations to submit to the UK Government and EU institutions on how European policy makers could better engage with grassroots sports. The final report is scheduled for the end of February or March.

[The Sport and Recreation Alliance's submission of evidence for the House of Lords EU grassroots study.](#)

CONSULTATIONS

Cohesion funding

The European Commission has recently closed its consultation on the future of cohesion policy. Cohesion policy is significant because it covers several key European funding streams, namely the European Regional Development Fund (ERDF) and the European Social Fund (ESF) (as well as the Cohesion Fund). The Sport and Recreation Alliance is pushing for the Commission to explicitly mention sport within the framework of ERDF and ESF, which would mean that funds can be given to sport-specific projects more readily than at present. This is something that was outlined in the EU Communication on Sport, and the European Commission's Youth and Sport Director, Gregory Paulger, recently emphasised the Commission's commitment to make it happen.

In its consultation response, the Sport and Recreation Alliance was keen to highlight that sport can help achieve many of the goals of EU cohesion policy through its wider social benefits (e.g. social cohesion, education, employment, environment), while reinforcing its support for the inclusion of sport within the Structural Funds.

[The Sport and Recreation Alliance's response to the consultation on cohesion funding.](#)

VAT Green Paper

In December, the Commission published its Green Paper ahead of the planned recast of the existing VAT Directive. This will provide the sports movement in Europe the opportunity to make its voice heard in the field of VAT and taxation. Sport will need to be robust in its defence of existing VAT exemptions, while it will also call for greater clarity over current VAT issues related to reduced and zero-rates on certain goods and services. VAT exemptions provide necessary assistance to the volunteer and non-profit organisations that lie at the heart of the sporting landscape and are fundamental in delivering the wide-ranging social benefits of sport. Currently, the UK does not apply all the reduced rates for sport currently offered by the EU, but these rates should nevertheless be defended and the Sport and Recreation Alliance is pressing the UK Government to implement more of the available rates.

The consultation phase will run until 31 May and the Sport and Recreation Alliance will be submitting its response in the coming weeks.

What this means for sport

The Sport and Recreation Alliance spoke to the European Commission Taxation and Customs Union (DG TAXUD) about its Green Paper recently. In an ideal economy, we were told, there would only be one level of VAT and no exemptions.

Unfortunately the ideal economy is somewhat utopian - there is a good reason why some foods and children's clothes are zero-rated. Sport, too, should be allowed such exemptions as the provision of sport at a local level is a community service.

What can sport do?

The European Commission will receive thousands of responses to such a consultation. It is important that sport's views are heard. The Sport and Recreation Alliance is already working hard with our sister national sport federations across Europe to ensure sport contributes, but the more submissions to this consultation the better. If you would like the Sport and Recreation Alliance to give you a standardised submission which you can tailor for your organisation, please get in touch with [David Foster](#).

If you wish to submit a response on behalf of your organisation, you can access the relevant page on the [European Commission website](#).

Procurement Green Paper

This consultation is particularly relevant to sport in the context of Community Asset Transfer (CAT). In recent years, more and more public assets have been handed over to local communities and volunteer groups who take over the management responsibilities from local authorities. The Commission has suggested that it may look to harmonise procurement standards across the 27 member states meaning procedures for tendering asset transfers could be broadened to include developers and commercial enterprises. This could potentially put many community sports facilities in jeopardy and in its submission the Sport and Recreation Alliance will argue strongly against any such measures.

If you wish to submit a response on behalf of your sport, you can access the relevant page on the [European Commission website](#).

The closing date for submissions is 18 May. If you wish to add something to the Sport and Recreation Alliance's response, or would like more information, please contact [David Foster](#).

Promotion of informal learning

This consultation seeks to garner information on how the EU can better promote the validation of informal and non-formal learning. In its response, the Sport and Recreation Alliance highlighted the importance of recognising the knowledge, skills and competences that people can acquire through participating in sport and recreation.

Intellectual property rights

The original 2004 Directive on the enforcement of intellectual property rights (IPR) harmonises the minimum means available to rights holders and public authorities for fighting infringements of intellectual property rights. In light of the boom in the sheer volume and financial value of intellectual property rights, as well as the associated infringement proceedings, the Commission sees it fit to update the current legislation.

Sport relies heavily on IPR to protect its product from misuse and to safeguard a vital source of income. The Sport and Recreation Alliance will argue strongly in favour of

rigorous IPR legislation that will ensure sport receives the appropriate financial reward for its products.

The Sport and Recreation Alliance will work with the Sports Rights Owners Coalition on intellectual property rights to ensure sport's voice is heard, but if you wish to submit a response on behalf of your sport, you can access the relevant page on the [European Commission website](#).

The closing date for submissions is 31 March.

If you wish to add something to the Sport and Recreation Alliance's response, or would like more information, please contact [David Foster](#).

EUROPEAN COURT OF JUSTICE

QC leisure case

Sport and Recreation Alliance members may have heard about a recent European Court of Justice (ECJ) case involving a British pub landlady who purchased a satellite subscription package and decoder card through Greek broadcaster NOVA. By doing this, she was able to show Premier League games in her pub in Portsmouth at a considerably cheaper rate than she would have been able to do had she paid for a subscription through Sky. The Premier League took the landlady in question, Karen Murphy, to court arguing she was in breach of broadcasting rights in the UK. However, Advocate General Juliane Kokott, in her role as advisor to the ECJ, concluded that the sale of exclusive rights on a country-by-country basis was contrary to the principles of the European single market.

What this means for sport

The judges in the case do not have to follow the advisor's opinion, but if they do agree with the opinion of the Advocate General then it would have wide-reaching ramifications for sport broadcasting. It would enable consumers to shop around for cheaper decoders as there is a huge price range differential across Europe.

Such an absence of exclusivity would reduce the amount that broadcasters are prepared to pay for television rights. Consequently less money would come back into sport and there would inevitably be a reduction in the amount filtered back into sports at grassroots level. It would see an overhaul of how broadcasting rights are sold, making it likely pan-European systems will be adopted in favour of the current country-by-country model.

The long-term results, however, are very unlikely to give consumers more choice and cheaper prices. Pay-TV channels will not stand for being undercut and the result will likely be that either one large provider will hold the rights across Europe, or in smaller markets the product will not be offered by the rights holder to protect the value of the product in the key markets. The result could be pan-European monopoly broadcasters, less choice for European consumers and less revenue for rights holders.

The internal management and structure of football may be forced to change as well. If three o'clock games are free to be broadcast then attendance rates, particularly amongst away supporters, will inevitably fall as matches will instead be watched at home or in pubs. This will damage smaller clubs, especially those which rely heavily on a local fan-base for revenue. It could also reduce participation in grassroots sport, with would-be participants opting instead to watch football on television rather than turning out for their local side on a Saturday afternoon.

Repercussions will not just be limited to football, as other sports will also feel the effects of changes in broadcasting behaviour. Tennis, for example, will be dealt a serious blow if Wimbledon, which is currently free to watch in the UK but not Europe, sees its revenue streams cut as European tennis fans choose the cheaper UK service.

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