



PRESS RELEASE

ENTITIES AND PUBLIC POLICIES

28 september 2017

GOVERNMENT SUPPORT FOR EURO 2016 IN FRANCE

Feedback for the public authorities

In hosting Euro 2016, France sought to demonstrate its ability to hold one of the largest international sports competitions. The dual challenge of providing sports and transportation facilities tailored to the tournament's needs and running a successful event was easily met, in a manner acknowledged to have been highly satisfactory and in an environment that had nonetheless become critical from a security standpoint.

The Cour des comptes and the six relevant regional courts of audit did not attempt to conduct another economic assessment of this event but rather focused their investigations on how the government support needed for the competition was implemented and on the financial risks that the local authorities face in managing expanded and renovated sports arenas.

The report consists of a general overview and of area-based analyses detailing, for each of the 10 host cities, the conditions for financing and operating the Euro 2016 stadiums.

Tournament organisation: a public success but with an imbalance of power exacerbated by the implementation conditions

While the *Fédération française de football* was supposed to have been the Euro 2016 organising authority, in reality the UEFA controlled the entire event due to unilateral "contractual" arrangements. The institutional and legal quality of the overall arrangements applied to Euro 2016 was poor. Many of the commitments made derogated from ordinary law, and some had financial consequences: free law enforcement assistance for the central government, loss of fees for the use of public facilities (fan zones) and loss of sales revenues for the local authorities. The imbalance of power between the UEFA and the host country does not necessarily mean that the public authorities should be quite so marginalised. The public interest group option, which the central government did not support, would nevertheless likely have better ensured the protection of the public interest and the state's financial control. In the absence of such a structure, it is difficult to retroactively measure the total cost of holding the competition, but the net public expenditure, including the cost of tax



exemptions, is estimated at approximately EUR 162 million. There is a clear imbalance between the profits the UEFA received (about EUR 847 million, or a 44% profit margin) and the payments made to certain national stakeholders. It would be advisable for states to cooperate to limit the demands of the international sports bodies.

Tournament venues: a significant public investment but with new management risks for cities

The consequences of the large increases in stadium capacity, sometimes beyond the needs of the competition, heighten the operating risk for the local authorities (need for higher attendance and diversified activities) which, except in Lyon, continue to own the sports arenas. They must also adjust the fees paid by the resident clubs to use these expanded public facilities. Calibrating the investments more closely to the UEFA's expectations would have reduced future operating risks and the pressure on fees.

With respect to the Stade de France, the confusing conditions governing its availability, which have resulted in a dispute in which the central government is reluctantly involved, demonstrate the failures of the initial scoping of the respective responsibilities of the various Euro 2016 stakeholders, and the UEFA's ability to disclaim any obligation relating to its demands.

The persistence of the municipal stadium model means that the economic risk arising from sports' unpredictability remains in the public sphere, for arenas used primarily by private clubs. In that respect, the only exceptions are the cities of Lyon and, to a lesser extent, Bordeaux. Euro 2016 therefore did not provide an opportunity to reform the economics of the major venues.

Recommendations

The financial courts have made four recommendations that aim in particular to:

1. adjust, in view of the investments made, the fees owed by the professional clubs that own the arenas;
2. estimate a projected public cost for major international sports events and develop a framework for assessing the impact on their economic spin-offs from the candidacy stage;
3. create a standing committee on organisation, chaired at the Prime Minister level, to facilitate cooperation between public and private partners, and mediate the role of the inter-ministerial delegation for major sporting events;
4. manage the event in such a way as to involve public stakeholders (public interest group), facilitate transparency in the expenditure incurred by each partner and incorporate a profit-sharing mechanism that is commensurate with the financial results.

[Read the report](#)

PRESS CONTACT:

Ted Marx ■ Head of communication ■ T +33 (0)1 42 98 55 62 ■ tmarx@ccomptes.fr

Denis Gettliffe ■ Head of Press Relations ■ T +33 (0)1 42 98 55 77 ■ dgettliffe@ccomptes.fr