



THE NATIONAL SPORTS AGENCY AND THE NEW GOVERNANCE OF SPORT

Some challenges remain

Communication to the National Assembly's Committee on Finance,
the General Economy and Budgetary Control

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Executive Summary

In its 2013 public thematic report entitled, *Sport for All and High Performance Sport: Reorienting Central Government Action*¹, the Court called for an adaptation of the Central Government's strategy by reorienting and concentrating its resources around narrower priorities. It stressed the need for a coordinated framework of action for Central Government policy and the involvement of the sport movement stakeholders and local governments in its definition, as this long-standing, recurrent issue has struggled to find a sustainable response.

The April 2019 creation of the National Sports Agency is a new attempt to reform the governance of sport between the Central Government, the sport movement, local governments and, now, the business world as well. It conveys the commitments made by the President of the Republic aimed at giving more autonomy and responsibilities to the sport movement and follows the City of Paris being awarded the 2024 Olympic and Paralympic Games.

The present investigation, requested by the National Assembly's Committee on Finance, the General Economy and Budgetary Control, is part of the Court's remit under Article L. 111-3 of the Financial Courts Code, in view of the report that it will submit to Parliament in 2022 on the preparations for the Paris 2024 Olympic and Paralympic Games.

While it is possible to take stock of the changes that have taken place since 2019 and the new policies and practices that have been implemented since the creation of the Agency, it is not possible to assess their initial results, which can only be evaluated over time. Nevertheless, an examination of the origin of the reform, and the political, legal and financial choices that governed it, as well as the conditions under which the Agency was set up, calls for the Court to issue findings, questions and audit recommendations to enable this ambitious reform to achieve its goals.

The ambition of a new governance of sport: a demanding challenge, necessary clarifications

The ambiguities and limits of the public interest grouping

The ambition to establish "*a shared governance with distributed responsibilities*" for sport policy, based on clear principles of jurisdiction, the project to reinforce the autonomy and responsibility of the sport movement, to strengthen the role of local governments, and to redefine the role and organisation of the Central Government, justified the creation of the Agency in the form of a public interest grouping (GIP). Initially, the regulatory route was chosen, before giving the new agency the legislative basis that was necessary in view of the missions entrusted to it and its exclusive funding by the Central Government, in derogation of the rules governing public interest groupings.

This legal status, chosen to allow voting rights to be shared between all the stakeholders, has in reality no financial or operational content, since the grouping's action is based almost exclusively on the Central Government resources allocated to the Agency. The creation of the Agency has not, at this stage, led to the pooling of resources or the coordination of public policies in favour of sport, and the articulation between the public and private sectors is still at the level of intention. The "*shared governance with distributed responsibilities*", the goal on which the National Agency for Sport was created, if it leads to a "*shared governance*" of Central

¹ Court of Accounts, *Sport pour tous et sport de haut niveau: pour une réorientation de l'action de l'État*, public thematic report, January 2013.

Government appropriations with the other sports policy stakeholders, has not yet led to any clarification of jurisdictions or distribution of responsibilities between all such stakeholders.

*An agreement on goals and means adopted late,
a necessary update*

The legal weaknesses that emerged when the Agency was set up reflect the ambiguities and contradictions of the reform undertaken. The Council of State rightly recalled the need for the National Sports Agency to include its action in the guidelines set out in a contract of goals and means signed with the Central Government, which must have the means to fully exercise its supervision over the Agency.

The agreement on goals and means between the Central Government and the Agency, signed belatedly in May 2021, does include indicators relating to the Agency's missions. However, the multiplication of goals, which are not prioritised, and the quantitative rather than qualitative nature of the results indicators cannot, as things stand, ensure a proper evaluation of the efficiency of the Agency's action and results. Three years after the creation of the Agency, this agreement should be reviewed and clarified in order to cover all of the operator's missions, allow for more consistent monitoring and evaluation, and facilitate the exercise of Central Government supervision.

*A necessary clarification of the missions of the Sports Directorate
and the Agency, a strategic supervision to be affirmed*

The refocusing of the Sports Directorate on state missions that cannot be delegated to a GIP and on strategic steering, coordination and observation functions appears to be consistent with the choice of entrusting an operator with the execution of a public policy. However, its implementation presents numerous difficulties, which concern, on the one hand, the capability of this central government to carry out its new missions and, on the other hand, the balance and clarity, which has not yet been achieved, of the respective missions of the Sports Directorate and the Agency, both at the operational level and at the strategic and political levels. More fundamentally, it raises the question of the respective legitimacy of these two entities, which are both partners and competitors.

The necessary exercise of the Central Government's strategic supervision over the Agency requires political clarification and a re-legitimisation of the Sports Directorate and calls for a more substantial reorganisation of that Directorate. Given the confusion that still exists in the distribution of the respective missions and jurisdictions of the Sports Directorate and the Agency, the establishment of a precise mapping and operational working protocols between the two entities must be completed as soon as possible. The strategic supervision over the Agency by the Sports Directorate must be reaffirmed and the appropriate tools and human resources made available to the Sports Directorate.

Finally, the reform of sport governance is based, in return for a greater responsibility and autonomy of the sport movement, on the renovation of the Central Government's supervision of sports federations and on a substantial transformation of the federal model in terms of transparency, ethics and democratic functioning. This part of the reform, adopted by Parliament on 24 February 2022, must be implemented as soon as possible, lest the overall balance be called into question.

A substantial but temporary increase in funding in favour of sport, the Agency's funding to be re-examined

*A strong increase in the Agency's funding, due to cyclical measures,
a multiyear trajectory to be defined*

The National Sports Agency, whose resources come almost exclusively from the Central Government in the form of budgetary allocations and earmarked taxes, has benefited since its creation from a very substantial increase in the means allocated to it, reaching €461 million in 2022, well beyond the political goal of a budget higher than €400 million demanded by the sport movement and the representatives of local governments. This stated goal has been achieved mainly through non-permanent public resources resulting from measures taken in the context of the recovery plan and the health crisis, and in view of the Paris 2024 Games. The Agency had become the only *de facto* operator able to implement such measures, since the Sports Directorate no longer had the means to do so. Apart from these non-permanent resources, the Agency's "structural" budget will be €307 million in 2022. For a proper understanding of the Agency's budgets and their evolution, a clear distinction should be made between structural means and non-permanent measures in both revenue and expenditure. It is also desirable to clarify the medium-term multiyear trajectory of the Agency's budget, as provided for by law.

A Central Government budgetary effort to be identified, consistency needed

In view of the Paris 2024 Games and also taking into account the above-mentioned non-permanent measures, the Central Government's budgetary effort for sport has also risen sharply to €1.1 billion. Excluding Programme 350 - *Olympic and Paralympic Games* and non-permanent measures, the increase in Programme 219 - *Sport* is less, and is mainly due to the creation of the "Sport Pass", which amounts to approximately €740 million.

However, the actual effort of the Central Government cannot be fully assessed, as other measures such as the rural equipment grant (DETR), the local investment support grant (DSIL), the *National Fund for Regional Planning and Development* (FNADT), the Fund for the Development of Community Life (FDVA) and the National Agency for Territorial Cohesion (ANCT) are also involved in this field. An initial inventory by the Court leads to the estimation that the minimum budget of subsidies, essentially investment subsidies, dedicated to sport, attributed by these mechanisms amounts to nearly €160 million; nothing distinguishes them in their nature from those of the National Agency for Sport. A complete inventory should be undertaken of all the measures of the Central Government's budget planning mechanisms that finance sports policies, as the current budgetary annex is clearly insufficient in this respect, and their coordination should be organised.

High level policy: clear choices, a policy to be strengthened

Rapid implementation, a welcome search for efficiency

The National Sports Agency has adopted the "Ambition bleue" strategy and action plan based on clear, consistent choices: tightening of the measures with a more limited number of disciplines and athletes recognised as high level; piloting of the various measures (Federal Performance Projects, High Performance Circle, performance contracts of the federations, aid to athletes and trainers) through performance on the basis of new monitoring and analysis tools; innovation and research efforts; implementation and consistency at a territorial level. This choice of a more relevant allocation of resources and a new performance culture based on regular evaluations largely responds to the Court's previous recommendations.

The Agency's "High Performance" unit was set up relatively quickly, and its organisation makes it appear to be the most structured and advanced of the Agency's missions. The moderate but significant structural increase in the financial resources at its disposal and the recent reinforcement of the Agency's human resources should enable the General Manager of High Performance, who has their own powers, to carry out their missions, subject to the necessary flexibility in the recruitment of the skillsets required for the Unit's expertise.

*A link to be perfected with the sports department
and other sport operators*

However, the reform of the high performance policy, defined by the Central Government, which entrusts the management and implementation to an operator, has not been completed and, beyond the exercise of strategic supervision, the sports directorate has its own sovereign and operational missions that require clarification and a reinforced linkage between the respective missions and responsibilities of the two entities. The same applies to relations with the other Central Government operators responsible for implementing the national strategy driven by the Agency, which must be clarified and better structured. Beyond the goal of making the Paris 2024 Games as successful as possible, it is important to give this new policy all the means to succeed in the long term. In particular, this implies drawing all the consequences of the structuring political choices made with the creation of the Agency and strengthening it in its missions on high level and high performance.

**The development of sports practices and the territorial governance
of sport: challenges to be met, clarifications to be made**

The development of sport for all is the policy for which the ambition of a "*shared governance with distributed responsibilities*" of the sport governance reform appears to be the most necessary in order to respond to public policy challenges. It justifies, much more than the new high level and high performance policy, the choice of creating a National Agency for Sport in the form of a public interest grouping.

A persistent dispersion of actions which compromises their efficiency

The Agency, which has taken over the measures relating to the development of sports activities that were previously managed by the former National Centre for the Development of Sport (CNDS) and by the Sports Directorate (the territorial share of the operating budget is now managed by the sports federations), has seen its resources increase considerably in 2021 and 2022, in part for operating aid to sports federations and, above all, for investment aid for the renovation and construction of sports facilities, through measures that are essentially non-permanent.

With regard to investment aid, the volume of which managed by the Agency, excluding the above-mentioned exceptional measures, is less than half that of the other measures identified (particularly the local investment support grant (DSIL) and the rural equipment grant (DETR)), it would be appropriate to carry out an exhaustive assessment of this substantial Central Government effort in favour of the renovation and construction of structural and local sports facilities, and to examine and, if necessary, modify their respective rules, particularly with regard to complementarity and possible accumulation. A procedure for coordinating Central Government services, especially at the territorial level, and for evaluating the actual effect of the various investment subsidies it provides is essential.

With regard to financial aid granted to clubs, departmental leagues and regional leagues (the former territorial part of the CNDS), the takeover by the sports federations of the investigation of such subsidies, which were previously decided outside of the federations,

should enable them to implement their priority federal development goals at the territorial level in accordance with the Agency's general guidelines. Nevertheless, the results for FY 2021 show an ever-increasing number of actions and structures funded (38,096 projects for 16,091 non-profit organizations funded, an average aid amount of €5,000). While the significant increase in the territorial share, of the order of 30% between 2019 and 2021, partly explains this development, questions remain as to the justification and actual effectiveness of such small amounts of aid, which are very often out of all proportion to the operating aid that clubs and associations receive from local governments. A real evaluation of the results and efficiency of the actions funded in this way is needed.

A global steering system to be built

The creation of the National Sports Agency has led to renewed contractualisation between the Central Government and the sports federations. Nevertheless, the reform results in a multiplication of contracts, four in number, managed by two different entities (delegation and employment contracts by the Sports Directorate, performance contracts, development contracts and federal sports projects by the Agency).

If the will is to break with an administered management and to subject the renewal of subsidies to sports federations to a prior evaluation of their results, it is still necessary that the sports directorate as well as the Agency have the human resources and expertise to lead this performance-based management approach, that the consequences be drawn on the amount of subsidies paid and that this approach be supported on the political level. Above all, the respective approaches of the Sports Directorate and the Agency must be articulated, both in the allocation of human and financial resources and in the evaluation of the situation of each federation.

However, there is currently no mechanism for joint dialogue between the Central Government and its operator on the one hand, and the sports federations on the other. It is therefore essential to put in place adequate steering mechanisms and to aggregate these various contracts into a single document for each federation.

Prerequisites for successful territorial governance of sport

An essential part of the sport governance reform undertaken by the Act of 1 August 2019, the implementation of regional sport conferences, territorial sport projects, multiyear orientation and financing contracts, and conferences of funders, is intended to convey at the territorial level the ambition of a "*shared governance with distributed responsibilities*" of sport policy in France. Nevertheless, the refusal to clarify the jurisdictions of the various levels of local governments in this field remains a major obstacle to the exercise of shared governance and raises questions about the future success of the territorialised governance of sport.

The operating resources of the regional sports conferences, which today rely mainly on Central Government services, must be specified, and particularly their coverage by local governments, first and foremost the regions. The nature and legal scope of the multiyear goals and funding contracts, which are supposed to be part of territorial sports projects but which have not been drawn up in any region, must be clarified. The same is true for conferences of funders, where some confusion prevails. Notwithstanding the position of principle of national associations of elected representatives, the determination of leaders at the regional level according to the strategic orientations adopted, in the absence of a clarification of the jurisdictions of each level of authority, would facilitate the proper functioning of regional conferences and the implementation of multiyear goals and funding contracts.

This territorial governance of sport must lead to coordination and complementarity of the policies conducted by the various stakeholders, particularly as regards local governments. If it were to remain limited to consultation on the management of Central Government funds managed by the National Sports Agency, it would not have achieved the desired goal of "*shared governance with distributed responsibilities*".

Recommendations

on governance

1. Organizing into a hierarchy and prioritising the goals set for the Agency and introducing new indicators to enable a qualitative assessment of its action. Updating the agreement on goals and means (*Ministry of Sport and the Olympic and Paralympic Games, Delegate Ministry for Public Accounts, National Sports Agency*).
2. Reaffirming the strategic supervision of the Sports Directorate over the Agency (*Ministry of Sport and the Olympic and Paralympic Games*).

On the resources of the National Sports Agency and the budgetary effort of the Central Government

3. Clarifying the Agency's budget by distinguishing between permanent and non-permanent funding and expenditure. Adopting, as provided for by law, an indicative multiyear trajectory for the evolution of its resources (*Ministry of Sport and the Olympic and Paralympic Games, Ministry of Public Accounts, National Sports Agency*).
4. Identifying all the budgetary appropriations for sport and ensuring consistency between the Central Government's subsidy mechanisms (*Ministry of Sport and the Olympic and Paralympic Games, Delegate Ministry for Public Accounts*).

On the high level and high performance policy

5. Clarifying the respective missions of the National Sports Agency and the Sports Directorate in the area of high performance (*Ministry of Sport and the Olympic and Paralympic Games, National Sports Agency*).
6. Ensuring the linkage and consistency of the allocation of jobs and appropriations assigned to high performance, associating the General Manager of High Performance with the appointments of officials assigned to high performance and ensuring the traceability of decisions taken, particularly for the appointment of performance directors and national coaches (*Ministry of Sport and the Olympic and Paralympic Games, National Sports Agency*).
7. Ensuring the steering and implementation of the national strategy for high performance and elite sport by the Central Government's operators (INSEP, CREPS, national schools) through agreements on goals with the National Sports Agency. Reviewing the INSEP's agreement on goals and performance and the CREPS' agreements on goals and resources accordingly (*Ministry of Sport and Olympic and the Paralympic Games, National Sports Agency*).

On relations with sports federations and the territorial governance of sport

8. Ensuring consistency between delegation contracts, federal development contracts and federal sports projects. Aggregating them in a single document and implementing procedures to ensure a comprehensive, shared dialogue between the Central Government, the Agency and the sports federations (*Ministry of Sport and the Olympic and Paralympic Games, National Sports Agency*).
9. Clarifying the territorial governance of sport and particularly the modalities for the elaboration of multiyear goals and means contracts, as well as their nature and legal scope (*Ministry of Sport and the Olympic and Paralympic Games, National Agency for Sport*).