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Expert Group on the Economic Dimension of Sport

Recommendations on major sport events, in particular on legacy aspects with a focus on social, economic and environmental sustainability

Deliverable 2

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I. Introduction

Like other large-scale projects, major sporting events are currently facing critical scrutiny from the public, the media, policy-makers and civil-society organisations. One reason is that, in the past, very large sport venues (in particular stadiums) were built that could not be operated profitably after the event, while their upkeep was a significant ongoing expense. And many fear that the high costs of a sporting event that only lasts a few weeks at most (financed from public budgets or debt) not only yield no appropriate benefits for society, but also mean that no money is available for other necessary public investment and measures, for example in the social sector, education and (public) transport. The fact that the international sport organisations often make profits from such major sporting events while the hosts shoulder the costs is criticized: “Profits are privatized, costs are socialized.” Lastly, corruption allegations at some international sport organisations indicate a lack of good governance.

Under these circumstances, several countries have withdrawn their bids (or refrained from bidding) to host a major sporting event in recent years.

With this in mind, the recommendations in this document are intended to make a constructive contribution to the sport policy discussion, help activate the positive potential of major sporting events, avoid negative legacies and thereby increase public acceptance of such events. The recommendations are intentionally broadly formulated and primarily concentrate on those aspects which are often the subject of public debate over major sporting events. In order not to exceed the usual scope, these recommendations do not treat in detail those issues which the relevant experts have already addressed at length in specific documents or those also playing a key role outside the realm of sport, in particular with regard to large-scale projects, such as risk management, corruption prevention, compliance, management of natural resources and waste disposal at events. A selection of the relevant materials, including best practices, is therefore included in Chapter IV to this document.

II. Definitions

Major sporting event

In this document, a “major sporting event” is understood as an event organised by one or several host countries, regions or cities and attended by different international delegations with the aim of practising one or several sports. Such events are often characterized by major technical and logistic challenges (the construction and development of venues, public transport, safety and security, etc.). Major sporting

events have a high international media profile, welcome several thousands of people including supporters, journalists, technical teams and officials, and are often organised over several consecutive days.¹

Legacy

In this document, “legacy” is understood as the lasting impacts of a major sporting event, i.e., what remains of the event after it ends. As a rule, it is not possible to arrive at an overall assessment of the legacy, which instead should be evaluated with an eye to its diverse forms. These may be **positive** or **negative**, **tangible** or **intangible**, **planned** or **unplanned** and **short-, medium- or long-term effects**. The result of a legacy evaluation depends on the stakeholder’s perspective and interests. The following are examples of the possible legacy of a major sporting event:

- improving the host country’s image and increasing interest and tourism, also to the host city or region, from abroad;
- enhancing a sense of pride and identity in the host region or country (nation-building);
- updating or expanding the sport infrastructure in particular, but also transport, residential, event and leisure infrastructure (also in terms of accessibility for persons with a disability) and thereby improving the quality of life and attractiveness of the host city or region;
- expanding sport offerings for the general public (sport development programmes for clubs, schools and higher education institutions); increasing sport participation and physical activity among the population;
- remediating industrial wastelands and contaminated areas and/or improvement of pollution abatement measures of a city or region;
- planning and implementing technological innovations;
- development of specific know-how;
- development of new policies to support sport, event organisation etc.
- creation of new networks among security institutions, sport federations, politicians etc.

Or the legacy may be

- increased public debt due to greater or earlier investment in infrastructure;
- higher housing costs (due in part to modernisation and gentrification) and therefore displacement of small businesses and lower-income segments of the population;

¹ Cf. Seminar on the environmental sustainability of major sport events organised by the French Sports Ministry (25/09/2014); summary of discussions and recommendations for institutional sport and sports movement stakeholders.

- oversized, and thus uneconomical, sport facilities that are a drain on the public purse to maintain;
- negative impacts on the environment due to environmentally unsustainable facilities, loss of habitat, and increased greenhouse gas emissions.

Sustainability

In this document, “sustainability” is understood in principle as an overall strategy for ensuring social justice, economic efficiency and environmental protection. Planning a major sporting event to be sustainable means above all using existing resources efficiently, avoiding or taking additional action to compensate for negative **social**,² **economic** and **environmental** impacts, for example by using technologies that reduce resource and energy use, using compensatory measures, orienting the size of sport facilities to their subsequent use, erecting temporary sport venues or making them easy to dismantle or reconfigure.³

Relevant actors

Relevant actors include in particular public institutions at local, regional and national level involved in planning and carrying out the event; the National Olympic Committee/National Paralympic Committee; other sport organisations; the bid committee; the organizing committee; athletes; civil-society organisations; environmental protection organisations and business associations.

III. Recommendations

The following recommendations distinguish essentially between international sport organisations on the one hand and bidders/hosts on the other to highlight the different areas of responsibility within the relevant time periods (see section I to III). In the public debate on major sporting events, these areas of responsibility are often overlooked or mixed together. Nonetheless, all those involved must work closely together to ensure the success of major sporting events.

Additionally, Section IV contains proposals for possible actions to be taken by the EU.

² Upholding human rights and labour rights should also be regarded as integral to social sustainability of major sporting events. These are addressed as a separate issue in the EU Work Plan for Sport (2014 to 2017) by the EU Expert Group on Good Governance.

³ These definitions of “legacy” and “sustainability” show that the two concepts mean different things but are closely related to each other. For example, a stadium built for a major sporting event and regularly used or run cost-effectively afterwards (i.e., not a “white elephant”) can be regarded both as sustainable and as a positive legacy of the event.

Section I - Bidding phase (including approval of the bid)

a. International sport organisations:

The international sport organisations can significantly help to ensure that major sporting events are carried out sustainably and have a positive legacy, in particular by designing the bidding and decision-making processes accordingly.

1. The international sport organisations should explicitly commit to upholding the principle of social, economic and environmental sustainability, of good governance and compliance with recognized (international) standards, such as ISO 26000, ISO 20121 and the UN Global Compact (see also Section IV).
2. At an early stage, the international sport organisations should publish a catalogue of requirements, which will subsequently be part of the hosting contract. This catalogue should clearly indicate all the obligations for hosts of major sporting events as well as the financial support the international sport organisation will provide to the host. This would give potential bidders the necessary information to conduct a reliable cost-benefit analysis.
3. The catalogue must contain specific requirements for putting on major sporting events sustainably and for planning a positive legacy; it must also require compliance with recognized (international) standards (see 1). It must also leave room for the bidding city or region to meet its individual needs and shape a desired legacy. The catalogue itself should be guided by the principle of cost containment and cost efficiency (for instance by promoting the use of existing facilities) and if possible should avoid all elements that tend to drive up (socialized) costs.
4. The hosting of a major sporting event by more than one country should be made possible. Multi-country-bids could make the hosting of a major sporting event by smaller countries more feasible.
5. The international sport organisations should provide appropriate and neutral advice and support for potential bidders already at an early stage, in the form of best practice examples, in cooperation with government and/or civil-society actors as appropriate.
6. The international sport organisations must implement transparent selection procedures based on published, understandable - preferably measurable - criteria. In this context, the selection should emphasize sustainability and legacy planning.
7. Sustainability and the planned legacy should be assessed on the basis of a thorough evaluation of the bids in consultation with independent, external

experts and should lead to a reasoned proposal by the leadership of the international sport organisation, such as its executive board. The selection process could ensure greater attention to sustainability and legacy aspects if members of the decision-making body (e.g. the General Assembly) had to make their votes public (i.e. no more secret ballots).

Such a transparent procedure would require the individuals and/or bodies involved to provide reasons or account for their proposal or their votes.

b. Bidders (city/region, sport organisation):

If properly planned, hosting a major sporting event can aid the development of a city or region, including public transport, and can promote sport and physical activity among the population. However, it should be noted that planning and implementing such a legacy, which is not necessarily inseparable from a high-performance sporting event, costs significantly more and is associated with the risk of additional costs which must usually be borne by the host. So there may be a conflict between the desire for a comprehensive positive legacy for the major sporting event on the one hand and a cost-conscious bid on the other.

8. To ensure social, environmental and economic sustainability and a positive legacy, compliance with recognized (international) standards, also with regard to good governance, is essential.
9. A major sporting event does not automatically leave behind a positive legacy. Like sustainability, a positive legacy requires careful planning from the earliest possible stage, ideally before the bidding process begins, in close consultation with all relevant actors. To manage such a complex task, competent project organisation is needed which has sufficient skilled staff.
10. The relevant actors must formulate their (realistic) legacy goals at an early stage and develop the planned operational measures to reach these goals and ensure sustainability (legacy plan including a feasibility study). The more investment a major sporting event requires, the stricter the requirements for a positive legacy must be. In order to ensure that necessary infrastructure measures make sense and are as sustainable as possible, their planning should focus on their (economically feasible) long-term use after the event.
11. A major sporting event must be appropriate for the bidder, its level of development and economic capacity. Hosting a major sporting event is in principle not a way to solve existing environmental, social and/or economic problems; for such goals the hosting of a major sporting event is a cost-ineffective means.

12. The decision to bid for a major sporting event must be preceded by a reliable cost-benefit analysis⁴. Sufficient time must be allowed to carry out such an analysis. The cost-benefit analysis must include all areas and groups of persons where costs are likely to arise, such as from displacement effects (possible externalized costs).
13. To do so, indicators should be collected which are able to precisely assess the required measures. These are the event areas knowledge, emotion/psychology, policy, infrastructure, network. These areas should be measured for all areas in which a legacy is desired: sport, environment, health, culture, education, etc.
14. Accurate, valid and - if available - standardized measurement methods should be used.
15. For the environmental and climate aspects an environmental impact analysis is needed.
16. A major sporting event requires the support of a majority of the population. One condition for the necessary public acceptance is ensuring that the largest possible number of people directly benefit, for example from improved infrastructure. And measures must be taken to contain possible adverse effects, such as displacement, resettlement and price increases.
17. The planning for a major sporting event must be transparent (acceptance through transparency). The general public and social groups should be actively involved in the planning process and should be kept informed of its progress. Critical groups must not be shut out of the bidding and planning process.
18. The relevant actors involved in planning and carrying out the event (see above) should publicly agree on the following in a joint document:
 - which legacy goals will be pursued and which actors will be responsible for achieving these goals, even after the event is over (long-term task);
 - which concrete action will be taken to achieve the legacy goals and to ensure the event's social, environmental and economic sustainability;
 - a realistic estimate of anticipated costs (calculation of costs) and who will pay them, as well as any cost overruns (financial plan). The

⁴ A cost-benefit-analysis is not the same as an economic impact study. It makes a clear distinction between economic cost and benefits, while an impact study assesses the impact of an event on the economic activity in the region (which is generally positive, but may be very costly).

question of who is responsible for paying what costs must not be left open.

19. The calculation of costs, which should preferably be done by an independent party, should also distinguish between costs arising directly from the event (such as competition venues, athletes' accommodation) and costs of additional, possibly optional (legacy) measures, for example in the area of urban/regional development, transport infrastructure, sport promotion or culture.
20. The calculation of costs can only be a snapshot made to the best of one's knowledge and belief at a certain point in time; it is naturally subject to risks and uncertainties, which must be made clear. The calculation of costs must be regularly updated.

Section II - Planning and operational phase

a. International sport organisations:

21. In this phase, the international sport organisation must ensure, through advising, support and the implementation of an appropriate monitoring system, that the measures promised in the bid or agreed in the hosting contract to ensure social, economic and environmental sustainability, good governance and a positive legacy are in fact carried out.

b. Host

22. All relevant actors should nominate qualified high-ranking functionaries to take responsibility for planning and carrying out the major sport event and the related measures.
23. The planned measures (especially infrastructure measures) should be carried out as early as possible to avoid cost increases resulting from deadline pressures.
24. The cost-benefit analysis should be continually updated with an eye to sustainability and legacy aspects.
25. If possible, new and renovated sport venues in particular should be open ahead of the event for use by the public, sport clubs, schools, etc. This could help increase public acceptance for the event. The same applies to including the public, clubs, schools, etc. in volunteer and sport programmes.

Section III - After the event is over

26. The implementation of legacy planning does not end with the event, but remains a long-term task for the relevant actors on the hosting side. The responsibility for this task and the necessary coordination must therefore be explicitly assigned to one or more institutions (in particular in the public sector, but also in the field of sport).
27. Progress reports should be provided at regular intervals.

Section IV - Role of the EU

28. The EU should support the development of standardized methods for measuring the
- social, economic and environmental effects of major sporting events and
 - essential legacies that can be achieved through major sporting events.
29. It should also encourage the sharing of best practice on the staging of major sporting events and facilitate the transfer of existing knowledge to policymakers and politicians within the EU.

IV. Further reading

- Declaration of Berlin - MINEPS V (see in particular 2.9 to 2.19, 2.27 to 2.29, 2.37 to 2.44, 2.45 to 2.48)
(<http://unesdoc.unesco.org/images/0022/002211/221114e.pdf>)
- UNESCO International Charter of Physical Education, Physical Activity and Sport (see in particular Article 5)
(<http://unesdoc.unesco.org/images/0023/002354/235409e.pdf>)
- UN Resolution A/RES/69/6 “Sport as means to promote education, health, development and peace”
(http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/69/6)
- Progress report of the UN Human Rights Council Advisory Committee on the study on the possibilities of using sport and the Olympic ideal to promote human rights
(http://www.un.org/wcm/webdav/site/sport/shared/A_HRC_AC_27_58.pdf)
- UN Global Compact
(<https://www.unglobalcompact.org/what-is-gc/mission/principles>)
- UN Outcome Document “Transforming our World: The 2030 Agenda for Sustainable Development” (see in particular #37)
(<https://sustainabledevelopment.un.org/content/documents/7891Transforming%20Our%20World.pdf>)
- ISO 20121 - Event sustainability management systems - Requirements with guidance for use (<http://www.iso.org/iso/iso20121>)
- ISO 26000 - Guidance on social responsibility
(<http://www.iso.org/iso/home/standards/iso26000.htm>)
- Seminar on the environmental sustainability of major sport events organised by the French Sports Ministry (25/09/2014); summary of discussions and recommendations for institutional sport and sports movement stakeholders
- Green Champions 2.0 (<http://www.green-champions.de/index.php?id=26>)
- http://epthinktank.eu/2014/06/12/legacy_of_sports_mega-events/
- Commonwealth Games 2014 (<http://www.legacy2014.scot/>)

- Olympic Agenda 2020
 ([http://www.olympic.org/Documents/Olympic Agenda 2020/Olympic Agenda 2020-20-20 Recommendations-ENG.pdf](http://www.olympic.org/Documents/Olympic%20Agenda%2020/Olympic%20Agenda%2020-20-20%20Recommendations-ENG.pdf))
- IOC Factsheet Legacies of the Games
 ([http://www.olympic.org/Documents/Reference documents Factsheets/Legacy.pdf](http://www.olympic.org/Documents/Reference%20documents%20Factsheets/Legacy.pdf))
- IOC Olympic Games Knowledge Management
 ([http://www.olympic.org/Documents/Reference documents Factsheets/OGKM_UK.pdf](http://www.olympic.org/Documents/Reference%20documents%20Factsheets/OGKM_UK.pdf))
- IOC Guide to Sport, Environment and Sustainability
 (<http://www.google.de/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0CCcQFjAAahUKEwiUjrjolOrHAhXKOBQKHe7sAP8&url=http%3A%2F%2Fwww.olympic.org%2Fcontent%2Fnews%2Fmedia-resources%2Fmanual-news%2F1999-2009%2F2007%2F01%2F23%2Fioc-guide-to-sport-environment-and-sustainable-development%2F&usg=AFQjCNG7K8AuMYg8ypWrtLWQ3CGATzH9nA>)
- Basic Universal Principles of Good Governance of the Olympic and Sport Movement
 ([http://www.olympic.org/Documents/Conferences Forums and Events/2008 seminar autonomy/Basic Universal Principles of Good Governance.pdf](http://www.olympic.org/Documents/Conferences%20Forums%20and%20Events/2008_seminar%20autonomy/Basic%20Universal%20Principles%20of%20Good%20Governance.pdf))
- IOC Position on the Contribution of Sport to the Sustainable Development Goals and the Post-2015 Agenda
 ([http://www.olympic.org/documents/olympism in action/sport contribution to post 2015 agenda-eng-feb.pdf](http://www.olympic.org/documents/olympism%20in%20action/sport%20contribution%20to%20post%202015%20agenda-eng-feb.pdf))
- FIFA Sustainability Strategy – Concept for the 2014 FIFA World Cup Brazil
 (http://de.fifa.com/mm/document/fifaworldcup/generic/02/11/18/55/sustainabilitystrategyconcept_neutral.pdf)
- Development of the FIFA Sustainability Strategy for the 2014 FIFA World Cup Brazil
 (http://de.fifa.com/mm/document/fifaworldcup/generic/02/11/18/90/developmentofthesustainabilitystrategy_neutral.pdf)

- FIFA Sustainability Strategy for the 2018 FIFA World Cup Russia (http://de.fifa.com/mm/document/tournament/competition/02/66/69/50/sustainabilitystrategyforfifaworldcup2018_neutral.pdf)
- Application Hamburg 2024 (<http://www.hamburg.de/finanzreport-olympia/>)
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(http://agrilife.org/cromptonrpts/files/2011/06/3_9_3.pdf)
- Working Group on Evaluation of Sporting Events (WESP)
(<http://www.evenementenevaluatie.nl/>)
- Preuss, H. (2015). A framework for identifying the legacies of a mega sport event. *Leisure Studies*, 34(1). doi:10.1080/02614367.2014.994552
(http://www.tandfonline.com/doi/abs/10.1080/02614367.2014.994552?journalCode=rlst20#.VpI_gUijjSY)
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doi:10.3390/su5083581
(<http://www.mdpi.com/2071-1050/5/8/3581>)