



THE
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LOTTERIES

FOR THE BENEFIT OF SOCIETY

How European Lotteries fund grassroot sport and make it sustainable in the long term

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Chair, EL's Sports Committee

Sport : 1% of European GDP

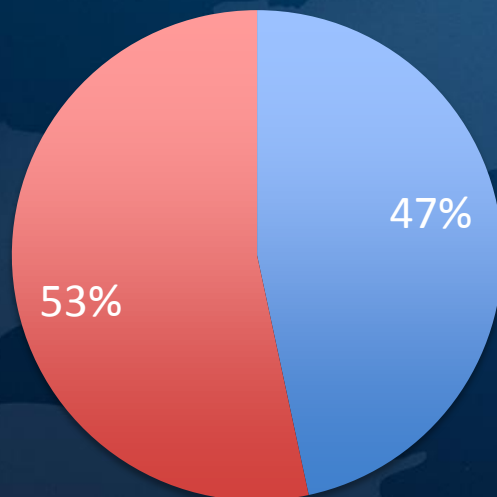
40% of the population practicing regularly



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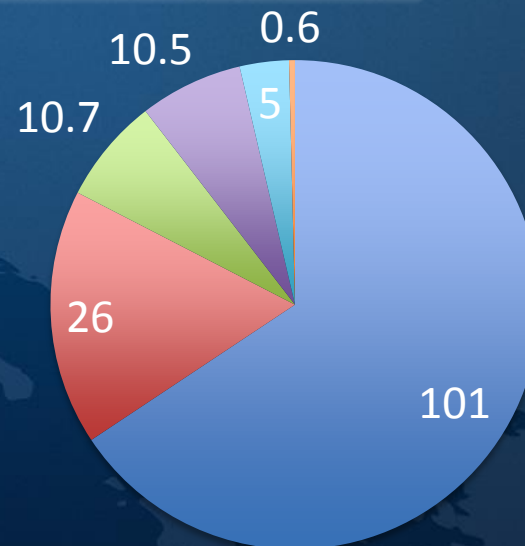
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Estimated total sport spendings
(Europe – 2008)
€ 153,8 bn



■ Grassroot sport

■ Professional and high-level sport



in € bn

■ Households

■ Local authorities

■ National authorities

■ Sponsoring

■ TV rights

■ Others

Source : Eurostrategies (2011)

European Lotteries are main contributors to sport ... and first of all to grassroots sport



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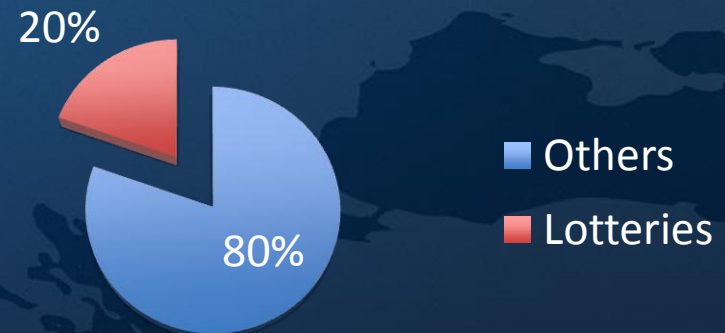
- Lotteries funding to sport represent 20% of national authorities sport budget in Europe : more than € 2,1 bn in 2008

National authorities budget for sport
: € 10,7 bn

- 70% of this amount is allocated to grassroots sport !

- European Lotteries (EL) members additionally sponsor sports events (more than € 150 m / year)

Most of the European sponsorship budget (85%) goes to professional and high-level sport



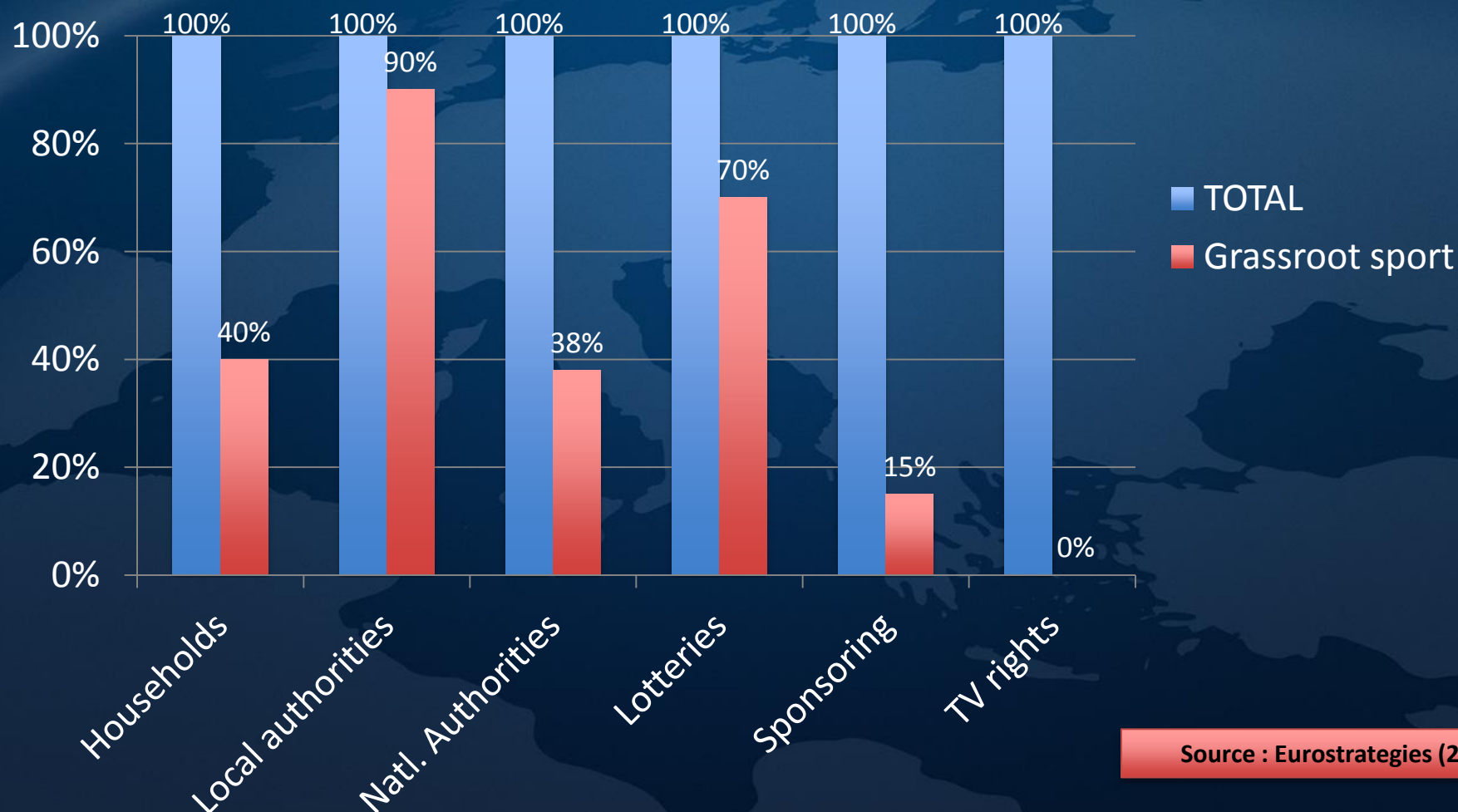
Source : Eurostrategies (2011)

Local authorities and Lotteries are two big contributors to grassroots sport



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Source : Eurostrategies (2011)

Diverse systems of redistributions of gaming revenues to sport in Europe

Country	Regulation System (2012)	Main Companies (2012)	Redistribution System (2008)	Budget
BULGARIA	2 state-owned companies	Bulgarian State Lottery Bulg. Sports Totalizator	Revenues of BST allocated to sports (through state)	€ 16,4 m (2007)
FINLAND	Monopoly	Veikkaus OY	25% of annual net profits allocated to sport (state)	€ 104,1 m (2008)
FRANCE	Monopoly (chance) Licenses (online bet)	Française des Jeux Betclic (online betting)	1,8% of sales to a dedicated state fund (CNDS)	€ 226 m (2008)
GERMANY	Monopolies (Land)	State Lotteries	€ 2,8 bn allocated to Länder Länder then give to sport	€ 361,5 m (2008)
NL	Licensed Lotteries	DE LOTTO	% of the revenue allocated to sport (NOC + Natl. Fed.)	€ 52 m (2009)
SPAIN	Monopolies Licenses (betting)	LAE / ONCE	> 3% to sport - 47% of the budget to pro football league	€ 121,9 m (2008)
Switzerland	Monopolies	Loterie Romande Swisslos	25% Pro/Olympic Sport 75% Grassroot	€ 130 m (2008)
UK	Monopoly (chance)	CAMELOT	28% of sales allocated to good causes (16% to sport)	€ 396 m (2009)

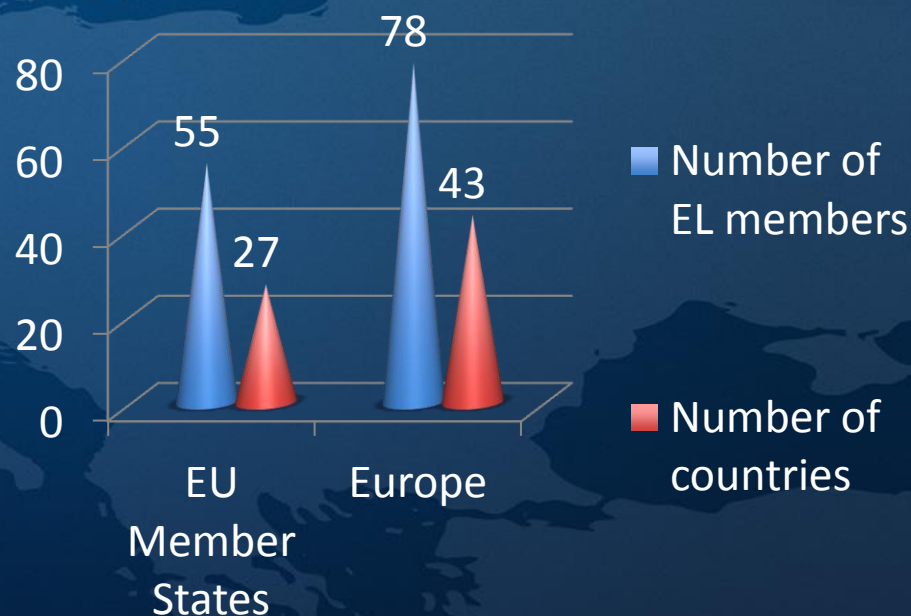
WHO ARE THE EUROPEAN LOTTERIES (EL)?



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- 78 members
- Close links to Governments
- 100% legal gaming = only offering games with an agreement given by a local regulator
- No cross-border operations
- Office in sport's core : Lausanne



EL GAMING MODEL : REGULATED, ACCESSIBLE, RESPONSIBLE, FAIR, and USEFUL

Gaming is a sensitive sector that has to address public and social order risks

EL Model : gaming to be strongly regulated by the States

- For the benefit of society
- Gaming as a leisure for the general public (reasonable players)
- Enough Gaming taxes to fund good causes and sport
- Well balanced payout rate : enough to be attractive, not too high to protect society
- Limitation of risky types of games

Other possible Model : gaming to be regulated by Consumers

- For the benefit of private shareholders
- Gaming for profitable players
- Low Gaming taxes
- Free determination of payout rates
- Few limitations (games, stakes, etc.)

Monopolies vs liberalisation in the gaming sector: An incomplete question!



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- Every state has to choose its most appropriate regulation :
 - Prohibition: example of sports betting in the USA
 - Grant of exclusive right (Monopoly): example of Lottery in the UK
 - Grant of multiple right (Licenses): example of online betting in France
- The most important is elsewhere :
 - Protect society against gaming related frauds and money laundering
 - Protect sports integrity, a main concern for sport, intermediately related to betting
 - Protect consumers against themselves (Gaming Addictions)
 - If possible fund state budget or good causes (including sport) with an appropriate gaming tax system

EL Members consider that their principal objective is the channelling of gaming for the public benefit (Helsinki Resolution – 2011)

EL Members adopted a strong common position on sport (June 2011)



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1. EL Members stress the important role of sport for society as recognised by the Treaty on the Functioning of the European Union. They commit to support the development of sport including the sustainable funding of grassroots sport
2. EL Members consider that organised crime does strongly affect modern society and has, as a result of the growing involvement of financial means in sport, infiltrated sport as well
3. EL Members consider that there is a growing involvement of organised crime in the on line gaming sector and the sport betting sector in particular, including problems of money laundering, match fixing and other forms of corruption
4. EL Members consider that the integrity of the sport sector is a *sine qua non* condition to the protection of the society and the public order due to the importance sport represents for the worldwide population

EL Members strongly support the European model of sport



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- Pyramidal structure
- Open system (with promotions & relegations)
- Voluntary work
- Solidarity (between professional sport and grassroots sport, between rich sports and others)



The European model of sport is based on the primacy of the sports results vs. economical indicators

The European model of sport has to face new risks



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Two main reasons:

- Lack of solidarity between pro and grassroots sport: priority to the Elite
- Economical crisis: reduction of households and sponsoring budgets, increased competition for public funding

Increased gap between pro and grassroots sport

- Pro sport = ethical problems
- Grassroot sport = financial problems

Other threats:

- Local authorities more focused on popular disciplines
- Reduction of interest for voluntary work
- New sponsorship priorities: CSR, social, environment
- Potential slower revenue from media: new technologies

EL COMMITMENTS FOR SPORT



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- **Insurance and improvement of integrity of sport** (including financial contribution dedicated to sports integrity protection)
- **Fight against sport betting risks :**
 - Active cooperation with sport movement and Member States
 - Only forms of betting certified by sport movement
 - Avoid conflicts of interest
 - Awareness, education and communication program
 - Alerts in case of suspicious betting patterns through a global monitoring system among EL members (ELMS)
- **Promotion of sporting values by supporting and encouraging sport** by sponsorship, donation, foundation, etc.
- **Support the further development including the sustainable funding of grassroots sport**

LOTTERIES: AN ACTIVE ROLE BY SPORT'S SIDE

SportAccord & IOC

(International Sports Federations)

Education programme, alerts and working group

UEFA & FIFA

(MoU since 2005 & 2006)

Betting monitoring and alerts

WLA & EL's partners

(World Lottery Association & The European Lotteries)

ENGSO

(European Non Governmental
Sports Organisations)

Partnership

Journalists : AIPS

(International Sports Press
Association)

Awareness and education programme

A CONCRETE EXAMPLE: THE SPORTS BETTING INTEGRITY PROGRAMME (SportAccord)



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- April 2011: SportAccord and Lotteries (EL / WLA) launch their sports betting integrity and education programme
- SportAccord is the umbrella organisation for 105 Olympic and non-Olympic sports federations
- Generic tools are available free of charge for use by sports federations, their athletes and officials, including:
 - E-Learning Programme 'How to Prevent Match-Fixing from Destroying your Career'
 - SportAccord Guide to 'Integrity in Sport: Understanding and Preventing Match-Fixing'
 - Code of Conduct on Sports Betting Integrity for Athletes and Officials
 - Model Rules on Sports Integrity in Relation to Sports Betting for Sports Federations

Thank you for your attention!



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A strong partnership
between Lotteries and
sport movement



« Integrity in sport is our most valuable commodity »
Hein Verbruggen, President SportAccord
& IOC Member