Dear President,
Dear Colleagues and Distinguished Guests,
Dear Friends,

2018 has been a very challenging year for the EOC as our workload has increased considerably across all fronts, largely due to the increased engagement generated by our sports properties but also due to the application of ever tighter good governance. Despite this extra workload, thanks to careful management and a well-designed budget we continue to contain administrative costs at the same levels as in the past; to remind you, on average the EOC spends only 9% of its OS revenue on administration, which I believe is an absolute record among continental associations.

Both bodies report to the EOC Executive Committee and to the General Assembly.

It must be remembered that in Europe we have some of the richest but also some of the poorest countries, some of the biggest but also some of the smallest ones; the EOC puts every effort into taking equal care of every country’s NOC, with particular attention dedicated to the smaller and weaker members of our Association, and today I would like to share with you the results of our labours, and show you how we continue to translate our mission concept into real and meaningful achievements for our Members, the most important of which I shall now list.

The European Sports Model
One of our key tasks is to defend the so-called European Sports Model. This is the model at the heart of the Olympics, it is the one that de Coubertin envisaged for the Olympic Movement, and which goes from grassroots
sport through to elite sport. It is also the model that keeps alive the many minor sports and the model that is steeped in the principles and ideals of Olympism. This model, our model, is under attack on two fronts: the commercialisation of major sports, and the political control of sport. The danger is that sports that attract more money will slowly slip away from our spectrum, with the result that the idea that Olympism represents the totality of sport will come short.

In terms of global sport, the European Sports Model is highly effective. Look at Europe’s results: although it is much smaller than Asia, Africa or the Americas, by applying it rigorously, Europe dominates medal rankings in both winter and summer sports. Just to quote the most recent success, Europe did extremely well at the Buenos Aires Youth Olympic Games, where athletes from 39 out of 50 European National Olympic Committees won 337 medals. That means almost 80 per cent of our NOCs reached the podium at least once in Buenos Aires. This is a clear sign that our work in this sense is paying off and that the future of Olympic sport in Europe is in good hands. These outstanding results indeed confirm the effectiveness of the European Sports Model, and we feel it is our duty to defend this model against commercialization and politicisation; in our view we all need to join forces with the IOC to defend the European Sports Model through the reinforcement and modernization of our image and by engaging the world of politics to explain its importance.

The IOC, the EOC and IFs, indeed all stakeholders in general, need to form a united front in the knowledge that, for example, what today appears to be an economic advantage that comes from private organisations can very quickly transform itself in the loss of one’s role.

Autonomy
Closely related to the idea of a European Sports Model, the autonomy and the specific nature of sport are being challenged more and more and we must redouble our efforts to defend these fundamental values. But to be credible we need to be clean and above board: again, this means good governance.

At a European level the issue of autonomy presents complex legal aspects and also goes to touch some of the EU’s most treasured principles, principles that we share but that cannot and must not be applied to sport as we know it. The key here is, as president Bach has said, “responsible autonomy”, which brings us right back to good governance yet again.

The EU and European governments in general recognise that sport is an important enabler for global social and economic progress, as indeed does the UN, and no one is more aware than us that this is so, and it is a core reason why we do what we do.

This provides an important opportunity to engage our governments and try and develop common projects, as we constantly encourage our members to do. I grant this is no easy task but it must be attempted nevertheless and in Europe we have some shining examples of what this can achieve.
Unity

Another value we consider fundamental and one that we work to defend is unity. We are an element of stability in society and we must rise to this responsibility, this is particularly important in these troubled and divisive times. Our sports events are the symbol of the unity of the Olympic and Sports Movement of Europe, and showcase how sport can benefit society.

Indeed, we believe unity among all constituents of the Olympic Movement is fundamental to our survival, and for us this means closing ranks behind the IOC. In today's increasingly fragmented society we are a bulwark against conflict. This means we need to trust the IOC and stand united behind it, and that we need to rely on the IOC for stability and our future. Change can be disconcerting, even frightening at times, but we believe that it is an absolute necessity to change and that President Bach’s warning ‘change or be changed’ and Agenda 2020 are more relevant than ever.

European Games

Over and above symbolising peace and unity, the European Games are also Europe’s highest expression of the European Sports Model. Very importantly, we view the European Games as an additional tool with which to defend the European Sports model, which, as said, we consider to be a huge value and a bulwark against the extreme marketization of sport, as is happening in particular with football.

As you know, following the very positive experience of the Baku 2015 European Games, the 2019 edition has been assigned to Minsk, Belarus, a city with impressive facilities and very good track record in terms of organising major events. Preparations are progressing well and we look forward to a successful second edition in June 2019.

In line with what other continents have been doing for much longer, the European Games provide Europe with its own continental multi-sport event, which also acts as a qualifying event for Olympic Games for a number of sports and provides European Athletes with Olympic Games environment experience.

A parallel aim is to further strengthen Europe’s performance at Olympic Games, and also create an additional income stream for the NOCs of Europe. And of course, like the Olympic Games and other Continental Games, the European Games equally aim to inspire the people of our Continent to adopt a healthy lifestyle through sport.

Finally, and in some sense most importantly, the European Games provide Europe with a strong message linked to its narrative. As said, the message is one of peace, unity and fraternity for Europe, which, to be clear, we do not intend as just the EU but the 50 nations of greater Europe that are the members of the EOC.

This message is symbolised in the Flame of Peace Ceremony, a highly moving event that takes place at the iconic symbol of Ancient Roman peace, the Ara Pacis temple in Rome.
To achieve these aims we are investing a lot of time and effort not just in Minsk 2019 but also the 2023 edition and beyond.

And to this end we have also launched the bid procedure for 2023, and have received strong interest from a number of major cities across Europe, showing how this nascent event has already made its mark. This because it is not just a generic sports event but THE sports event of the Olympic Movement of Europe.

A last word on the European Games, to say that we have received criticism from some media for having assigned the event to States whose human rights ranking is deemed to be not of the highest standard. We of course uphold human rights, and not just because we are mandated to do so by the Olympic Charter but because we believe this to be a matter of human dignity. We however feel that active involvement in this area is the brief of NGOs, governments and international institutions such as the EU and the UN; we on the other hand are a particular type of sports organisation, our mission is to educate through sport. This is the mission of the Olympic Movement and this is the one we pursue. Our sports events are for our athletes first and foremost and for the people, not the governments, of Europe, as it is the only tool that our Statutes allow. If we were to deprive a hosting nation of our sports events on human rights grounds we would not be fulfilling our mission as prescribed by the Olympic Charter. Pontificating on the subject of human rights has never achieved anything at all. We believe in dialogue through sport, not wars, it is only with dialogue that people can know each other and come to understand each other, and live in peace and harmony. Should anyone have any doubts, just look at the results wars have achieved.

Put plainly, through sport we attempt to build bridges not walls, bridges that are built through sport.

**The EYOFs**

If the European Games are a final springboard towards the Olympic Games, our European Youth Olympic Festivals can be seen as a first springboard for all our promising young athletes who are entering the world of elite sport. The EYOF slogan is, very aptly, “Ready to Shine”.

To remind you, there is a winter and a summer edition every two years. Next year there will be a winter edition in Sarajevo & East Sarajevo, Bosnia & Herzegovina, and a summer edition in Baku, Azerbaijan.

These are no small events, the winter edition bringing together close on 2’000 athletes and officials, and the summer one 3’500.

Their purpose is similar to that of the European Games, in other words give our young future stars a taste of what it means to compete at an international multi-sport event and show them a world of peace, friendship and solidarity.
Games of the Small States of Europe
The Games of the Small States of Europe bring together teams from the countries of Europe with less than a million inhabitants. At each edition almost 1,000 athletes from the nine smallest states in our continent come together to compete in an atmosphere of true friendship. It is an event that is highly regarded by the countries concerned, with each taking turn to host them every two years. The 2019 edition will be hosted by Montenegro.

Our Athletes
All this shows how, in line with IOC policy, the main focus of the NOCs of Europe is on our athletes, their wellbeing and their success. We owe it to them. As role models in society athletes can and need to be helped to make a major contribution both by raising the profile of sport and recreation across communities and by becoming standard bearers for future generations.

We highly value their fundamental contribution to the organisation and the development of sport. This is why we put all our athletes at the heart of the Olympic Movement of Europe.

It is here however also important to remember that our elite athletes are supported by extensive structures that include clubs, federations, NOCs and much more, and above all people, those many anonymous people without whose work their successes would be impossible. And I here want to pay tribute to these many nameless heroes of sport who dedicate themselves to our athletes with commitment and passion, so many of which are simple volunteers.

Good governance
Our good governance standards are guaranteed by the application of the strictest of principles, which are codified in our Statutes, and our operational guidelines that are collated in our Administration Manuals.

Over and above the supervision of the Treasurer and the Secretary General, all our expenditure is closely vetted in two ways:

- Our external auditors control that everything from a tax point of view is done correctly
- Our Audit Committee, an independent body of three experts, ensures that everything we spend is spent in line with our mission as stated in our Articles of Association (our statutes).

All our good governance procedures are in line with IOC directives.

Commissions
By means of our Commissions - in our case advisory bodies composed of volunteers that report to the Executive Committee and General Assembly - we try to harness the power of sport through the experience and expertise of the Members to address some of the most challenging global issues. The initiatives they implement act at
every level of society: from gender equality to environment, from education to culture. For instance, thanks to a proposal from the Gender Equality in Sport Commission, the Association is supporting a project put in place by the NOC of Finland called “New Leaders Programme”. The aim of the project is to build an equal and modern culture of sport by creating a new generation of young women and men who have the power to make great changes.

Gender Equality
Gender equality continues to be another important focus of our activities. The IOC is quite rightly pressing the whole of the Olympic Movement to improve gender balance, particularly at the decision making level, and I would add that a change in mental set on this subject is fundamental not just for the Olympic Movement but society as a whole. We have taken note of the recently published IOC review on Gender Equality which we support and it is our intention that our newly appointed EOC Gender Equality Commission will produce an EOC Gender Equality Strategy for us to focus on and implement at continental level.

Our Commission is named the Gender Equality Commission and not the Women In sport Commission. We agree that most of the work to be done in this area relates to equality for women however we want to ensure that we also address any issues facing equality for men.

Leaving any and every issue of principle, culture or religion aside - which we have no business to enter into or question - the fact remains that societies in which women are not treated equally and where a relatively small number of women work are far less prosperous than those where they do, and this is for us an important reason for promoting gender equality.

The detail of how we will go about doing this will be contained in our EOC Gender Equality Strategy, however it will continue to have a significant focus on training and mentoring.

We also intend to target specific initiatives at our young leaders and indeed education for all on why diversity is important will form a key part of this.

We would feel that the emphasis must be directed to the decision making positions as whilst huge strides have been made in the area of athlete participation for both men and women this is not the case in the leadership positions.

The work in this area by the IOC is great to see and we are encouraged to refocus our efforts in this area with the IOC Review Report to use as a focus and support. With only two years to go until more elections at local NOC level and indeed EOC level we are encouraging our NOCs to take action now with a view to having more gender equal representation in leadership positions going forwards.

Anti-doping and the fight against the manipulation of sports competitions
On the subject of anti-doping, I want to reiterate that the EOC and its members fully and actively support WADA and its Code, which is also implemented at the European Games. For the Olympic Movement there can only be clean sport, and this is why we constantly work to support clean athletes.

We have recently revised the medical and anti-doping regulations for all our sports events and have had it approved by WADA.

To further consolidate the anti-doping programme for the Minsk 2019 European Games we have entered discussions with the ITA with a view to having them provide their services as well.

As recent events have clearly confirmed, we consider doping a menace to the Olympic Movement and will do everything in our power to block it.

But let’s not forget that another threat to the integrity of sport is the manipulation of sports competitions. Recently published statistics show how shockingly extended this phenomenon has become, also in semi-professional and amateur sport, and how easy it has been made by the advent of mobile technology and social media. The EOC believes there needs to be a global crackdown and is ready to play its part, but clearly this will require the will and involvement of governments and international institutions.

Olympic Games
We are now all looking forward to Tokyo 2020 and Beijing 2022, for which we have already started preparing, and, as said, are very satisfied with the excellent results of the NOCs of Europe at the Buenos Aires Youth Olympic Games!

Administration

In 2018 the EOC Administration Department has seen its workload increase considerably. This led us to decide to assess the functioning of our Association, and we entrusted this assessment to KPMG, so as to have an independent opinion.

The aims of the KPMG assessment were to:

- Examine and evaluate the operating model for Head Office, and how it interacts with the other parts of our organisation
- Check Head Office staffing capacity in relation to the tasks Head Office performs
- Assess Head Office efficiency and cost effectiveness

In conducting its analysis, KPMG examined the articles of association, our statutes, the EOC’s governance model, its processes, its manuals and protocols, and all other relevant documentation. KPMG also interviewed members of staff and the Secretary General.
Their report concluded that:
Head office is well managed, at costs well below the ceiling recommended by the IOC and those sustained by
similar continental associations.

KPMG however recommended the following improvements:
- Centre all activities possible on Head Office for greater cost effectiveness and efficiency, and
  consequently redesign the related governance procedures.
- Ensure that the management procedures cover the EOC EU Office in its capacity as a branch of the EOC
- Reinforce the EOC sports properties department to reflect the importance of these for the EOC, in
  particular with a fulltime sports director.
- Introduce digital banking.

We have of course taken on-board their recommendations.
Regarding accounts, under the attentive supervision of Treasurer Kikis Lazarides, Secretary General Raffaele
Pagnozzi and the Executive Committee, these are kept in strict observance of generally accepted international
good governance standards and Olympic Solidarity rules and regulations.
Thanks to professional and disciplined management, also in course of this quadrennium, the EOC has managed
to progressively increase the amount of OS Continental Programme funds distributed to NOCs, achieving over
70% direct distribution to the NOCs; regarding its costs, as said, the EOC has on the other hand managed to
progressively reduce its administrative requirements, which, as said, now stand at just 9% on average, whilst at
the same time improving the standard of services to the NOCs.
The EOC has two separate income streams: Olympic Solidarity funds, and marketing revenue. Whilst all
revenue is invested in subsidies of one sort or another to the NOCs of Europe, in line with OS directives and for
reasons of good governance, the two streams are kept strictly separate.

The table below gives a breakdown of the main expenditure headings in percentage terms across the current
EOC quadrennium, the figures for 2017 and 2018 being actual and those for 2019 and 2020 being based on
budget forecasts.

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The EOC also meets the minimum annual lump sum requirement of USD 100’000 payable to each NOC, whilst the NOC special activities programme continues to be successful, allowing NOCs to develop projects they would otherwise be unable to fund through other OS programmes. To date in 2018, the EOC has supported 42 NOCs with an investment of USD 1’300’000, and aims to invest the full annual budgeted amount of USD 1’400’000 by the end of the year.

We continue to cooperate with OS on the Financial Control Programme aimed at the effective monitoring of how NOCs spend OS funds.

In our capacity as OS Continental Office for Europe we help NOCs handle their obligations towards OS, giving them the guidance they may need, and working alongside the OS Auditors and the Lausanne International Office in progressing the programme. The feedback indicates that the programme is working well, as witnessed by the ever-improving "quality" of the financial reports received from NOCs.

Working in such close contact with OS on this programme is highly rewarding and very instructive.

In 2018 for the new OS mentoring programme run in conjunction with Olympic Solidarity, we visited Kosovo, the youngest of our NOCs, and the feedback received indicates they greatly appreciated our initiative.

EOC General Assembly
The EOC recently held its 2018 General Assembly in Marbella, Spain. It was a key Assembly for the many important issues to hand, and concluded very well.

It was preceded by an equally important Executive Committee meeting on the eve of the Assembly.

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Conclusion
To conclude, our ambition is to put Europe at the heart of global sport and lead Europe in the global delivery of elite sport and healthy lifestyles. We aim to do this by:

- Informing, guiding, and supporting the 50 NOCs of Europe
- Promoting the IOC’s policy and governance, including Agenda 2020, across Europe
- Organising the only multisport Games of Europe and other major events

Our pledge is thus that we will do our best to:
Fight to ensure proper ethics within the Olympic Movement. The IOC has an excellent Code of Ethics that we must fight to have implemented across the board, it cannot be there just for show, and I think it is time for Europe to take up this challenge and play an important role in this sense. We have a responsibility as the leading continent within the Olympic Movement and we intend to exercise it. In other words ensure Europe plays a role that is commensurate with its weight within the Olympic Movement.

Put Europe at the forefront of the Olympic Movement also by making it an example of good governance and the promotion of the Olympic values and ideals, including giving athletes a proper, efficient and effective communication channel to the top of the Olympic Movement, and in areas such as Gender Equality, the fight against doping, and any and every form of abuse.

Continue and improve our efforts to educate our young in Olympic values and ideals.

Strengthen the sense of team among our NOCs with the aim of working ever more closely.

In general assist our member NOCs in achieving their aims with guidance and assistance with particular focus towards Millennials.

Harness the power of social media to the advantage of the Olympic Movement of Europe

To achieve this we base all our work on a set of values: the Olympic values of Excellence, Friendship and Respect, to which we add our own values of Integrity, Solidarity and Innovation.

20th November 2018