

The Cost of Youth Development in European Basketball

*A detailed analysis of structural and financial
challenges of developing talent in Europe*

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Agenda

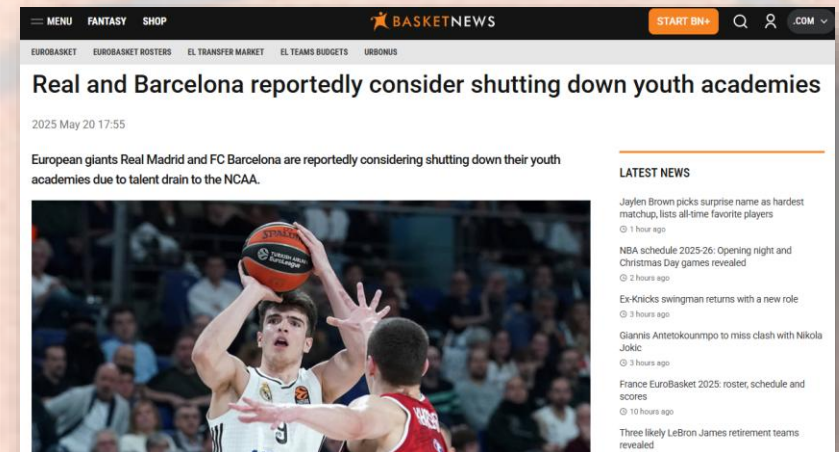
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Introduction

- Youth development in basketball is essential for the long-term success of national teams and the growth of the sport across Europe. Unlike in the United States, where schools and universities dominate talent development, Europe relies heavily on clubs to identify, train, and nurture young players. These clubs often operate within tight financial constraints, yet they serve as the foundation for basketball excellence, producing elite players who go on to compete in top domestic leagues, EuroLeague, and the NBA. Their role extends beyond performance. They are vital for promoting basketball at the grassroots level and sustaining its popularity among youth.
- Despite their importance, clubs face significant challenges. The costs of training, facilities, staff and competition are high, while financial returns are limited. Regulatory structures fail to adequately protect clubs' investments and competing systems like the NCAA with agent-driven transfers and NIL (Name, Image and Likeness) deals create further strain on club finances.
- This is far from a new issue. Yet, 2025 has seen a particularly sharp escalation: elite institutions like Real Madrid and FC Barcelona have reportedly considered shutting down their youth academies in response to the exodus of young prospects to NCAA programs offering attractive NIL compensation.
- In parallel, FIBA Secretary General Mr. Andreas Zagklis has proposed introducing a required *Letter of Clearance* for players transferring to the NCAA mirroring FIBA's international transfer protocols to ensure clubs and federations consent and retain some leverage in these moves.



Introduction

- Meanwhile, Europe's basketball community has begun to show more precise and bold reactions. For instance, The European Basketball Forum, led by figures like Aleksandar Djordjević and Danko Cvjetičanin, has issued a declaration calling on FIBA to establish a legal framework

that mandates fair compensation for clubs when home-developed players transfer to the NCAA, a call for binding rules, not just goodwill.



<https://basketballsphere.com/en/european-basketball-forum-declares-opposition-to-nba-europe-concept>

- In Spain, policymakers have taken concrete action by launching Liga U, a new Under-22 league set to debut in the 2025–26 season, funded in part by public investment and designed to give young talent competitive minutes while combining academic support, an effort to counter the pull of the NCAA and offer a domestic alternative.

- Amidst these recent developments, this report aims to reemphasize the critical role of clubs, assess the current financial situation as well as regulatory environment and propose actionable solutions to ensure the sustainability of basketball's

grassroots engine, reinforcing what has long been (and must remain), the backbone of European basketball. Ultimately, safeguarding this foundation is not just about preserving tradition, but about securing the sport's competitive future in the global landscape. Covering topics from the financial realities of youth development to the growing power of agents and the need for stronger FIBA governance, this report offers a comprehensive analysis of current challenges and actionable reforms to protect Europe's talent pipeline.

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Key Role of Clubs in European Basketball

- The European sports model places clubs at the center of talent development. From the grassroots level to professional ranks, clubs are responsible for identifying, attracting, and nurturing young players. This model contrasts sharply with the U.S. system, where sports development is deeply integrated into schools and colleges.
- While some national federations, Olympic committees, and regional programs offer support for youth development, these initiatives are often supplemental. Clubs remain the primary institutions bearing the responsibility for long-term player growth and engagement.
- European clubs not only provide training but also serve as social hubs, connecting local communities through sport. Youth academies often rely on a network of volunteers, idealistic coaches and community leaders who contribute time and resources without expecting financial returns. This spirit of altruism is a defining characteristic of the European approach.



Study on the European Sport Model, A report to the European Commission



- One powerful example is Club Joventut Badalona, a club known not only for producing elite players like Ricky Rubio and Rudy Fernández, but also for its deep social commitment. The club defines itself as a cultural and social institution within Badalona, emphasizing community engagement, local identity, and the altruistic development of youth through basketball. Its mission extends beyond sport, rooted in volunteer-driven values and long-term service to its city. Such social integration is one of the key defining characteristics of European clubs, where the role extends far beyond sport to shaping values, fostering inclusion, and strengthening community bonds.

Key Role of Clubs in European Basketball

- Unlike the U.S., where pathways to professional sports are embedded in educational institutions with significant resources, European clubs frequently operate on limited budgets. Their success depends on local support, sponsorships and a deep commitment to fostering talent.
- This decentralized, club-driven system has consistently produced world-class players and competitive national teams. However, its sustainability is increasingly threatened by financial pressures, weak regulatory protections and growing competition from external systems like the NCAA and private academies. Supporting and recognizing the contributions of these clubs is vital for the future of European basketball.
- Clubs across Europe vary significantly in their structure, mission, and approach to competition. At the core of the ecosystem are so-called “talent-producing clubs”, organizations primarily focused on discovering, nurturing and developing young players who can eventually move on to higher levels of professional basketball. These clubs invest heavily in youth infrastructure, coaching, scouting and education, all while shouldering considerable financial and operational risk whereas their counterparts, “consuming clubs”, primarily concentrate on acquiring already-developed talent to remain competitive in domestic or international leagues. The success of talent-producing clubs is not measured solely by championships, but also by the number of elite players they produce and their contributions to national teams*.
- Despite bearing a disproportionate share of development costs, talent-producing clubs form the foundation of European basketball, making their long-term sustainability critical for the sport's future. Their efforts enable a continuous supply of elite talent, yet their role is often undervalued and undercompensated within the current system.

*) It needs to be noted that there are a few clubs in Europe which are doing both, i.e. producing young players and at the same time competing at the highest level such as Anadolu Efes but this combination represents a true exception across Europe.

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Talent-Producing Clubs in Europe

Overview & Methodology

🏀 In order to understand which clubs have played the most significant role in producing elite basketball talent in Europe, this report analyzed the youth backgrounds of senior national team players from eight leading basketball nations, i.e. France, Germany, Greece, Italy, Lithuania, Serbia, Spain and Turkey. The methodology focused on players who represented these nations at six EuroBasket tournaments organized between 2003 and 2022. The specific editions analyzed were 2003, 2007, 2011, 2015, 2017, and 2022. For each of these national teams, the youth club where each player grew up was identified.



- 🏀 Importantly, the analysis prioritized the club where a player received foundational training, typically until the age of 16 or 17, rather than the club where they played their first senior game. This approach highlights the institutions responsible for teaching fundamental skills and offering the first structured development experiences, which are crucial for long-term success*.
- 🏀 By identifying the youth clubs of these national team players, this study aims to spotlight the clubs that serve as true talent factories in European basketball. These clubs not only develop individual players but also contribute to the strength of their national teams and the global presence of European basketball. The following section will provide a detailed breakdown of these talent-producing clubs, including comparative insights by country, and assess their current competitive and financial status.

*) Player development pathways in this analysis were determined using primarily publicly available data. While every effort was made to ensure accuracy, some cases may include partial inaccuracies due to limited information or challenges in identifying a single main youth club. In such instances, informed judgment was applied.

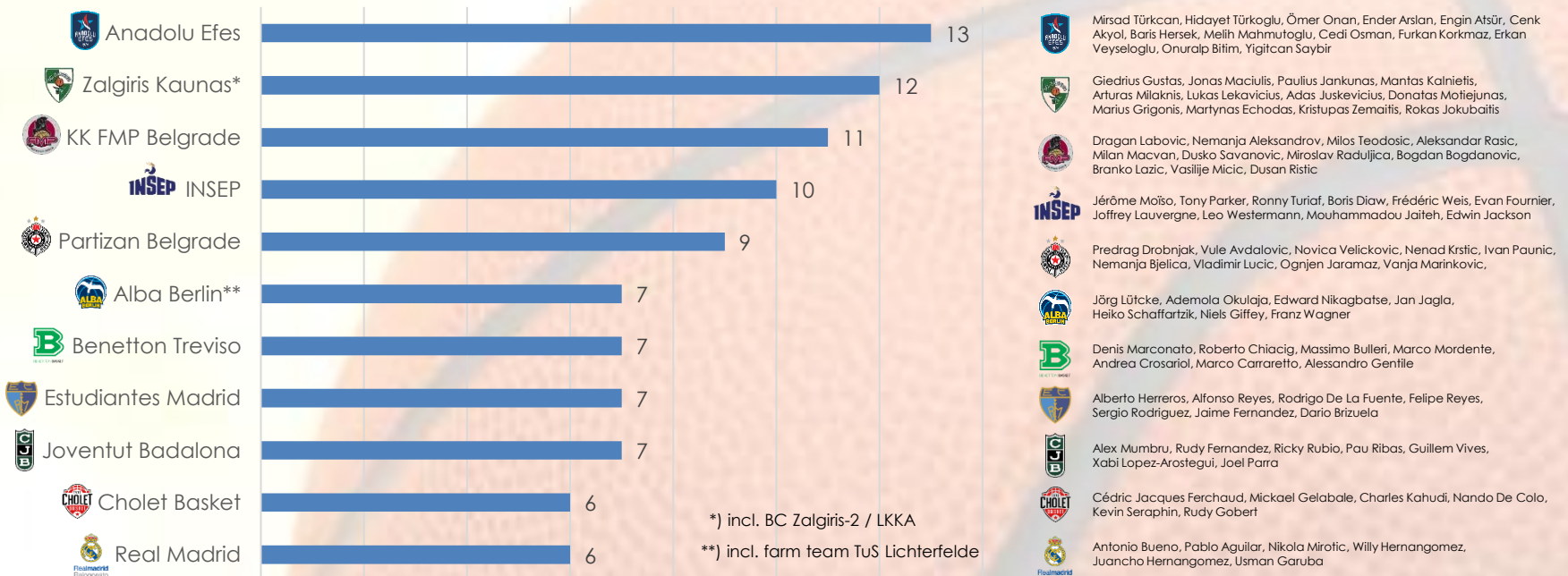
Talent-Producing Clubs in Europe

Overview & Methodology

The national teams played these six tournaments with a total number of players ranging from 42 (Spain) to 50 (Serbia) whereas, in total, 358 players participated in at least one EuroBasket. Players who showed up in more than one tournament were counted only once. Of these 358 players, a total of 33 players played college basketball in the NCAA, the remaining 325 players went through the youth programs of 160 different basketball clubs across Europe.

Top 10 Most Productive Clubs







Below chart shows the Top 10 most productive clubs in our dataset which collectively account for 29% of all senior national team players in the eight countries analyzed.



Talent-Producing Clubs in Europe

Status Breakdown of Talent-Producing Clubs

- As mentioned above, during the analysis period a total of 358 players participated in at least one EuroBasket, of which 33 players played college basketball in the NCAA and the remaining 325 players went through the youth programs of 160 different basketball clubs across Europe. Below table provides detailed information on the country allocation and current status of these talent-producing clubs, i.e. whether they still exist, if yes, in which league / division they most recently played or whether they were dissolved or merged with another team.














Current Status / Domestic League of the Club									Total Clubs
1 st Division	6	9	8	7	4	14	7	6	61 (38%)
2 nd Division	7	3	3	4	2	2	1	2	24 (15%)
3 rd Division	3	1	3	2	2	1	1	1	14 (9%)
Lower Divisions	4	8	13	10	7	2	4	-	48 (30%)
Dissolved	-	2	-	3	-	2	2	2	11 (7%)
Merged	1	-	-	-	-	-	-	1	2 (1%)
Total Clubs	21	23	27	26	15	21	15	12	160
Total Players	47	45	42	44	45	50	42	43	358

- As per the above table, 54% of the talent-producing clubs most recently competed in the 2nd division or lower, which represents a high dependency on lower-level clubs subject to more non-professional circumstances. 11 clubs (7%) ceased their operations entirely, i.e. do not exist any further and two clubs merged with other clubs ceasing their initial identity as a basketball club.

Talent-Producing Clubs in Europe

Clubs That No Longer Exist

- The disappearance of certain historically significant clubs underscores the structural weaknesses in European youth development. In many cases, these clubs were victims of unsustainable economics (e.g. high-dependency on one single sponsor, financial crisis, etc.), lack of regulatory protection and poaching of their top prospects without adequate compensation.

Club	Country	No. of Players	Explanation / Notable Players
 Benetton Basket Treviso	Italy	7	Withdrawal of the main sponsor in 2012; Was one of the powerhouses of European basketball for several years with a strong youth program
 Banvit	Turkey	5	Dissolved in 2020; Youth team of Alperen Sengün
 Koeln 99ers	Germany	2	Bankruptcy in 2009 / Cooperation with RheinStars Köln; Youth team of Tibor Pleiß
 KK Atlas Novi Beograd / Beopetrol	Serbia	2	Dissolved in 2006
 KK Vojvodina Srbijagas / KK Novi Sad	Serbia	2	Dissolved in 2016, five years after merging with KK Novi Sad; Youth team of Nikola Jokic
 BG Karlsruhe	Germany	1	Bankruptcy in 2021
 Teramo Basket	Italy	1	Dissolved in 2012; Youth team of Achille Polonara
 PMS Turin	Italy	1	Bankruptcy in 2019
 Basquet Mallorca	Spain	1	Dissolved in 2012
 Forum Valladolid	Spain	1	Bankruptcy in 2015
 Oyak Renault	Turkey	1	Dissolved in 2011; Youth team of Mehmet Okur
 Ülker (⇒ Fenerbahce)	Turkey	4	Main team merged in 2006 with Fenerbahce; Was an A-license holder of Euroleague; Youth team of Ersan Ilyasova, Zaza Pachulia and Enes Kanter
 Paris Racing Basket (⇒ Levallois)	France	2	Merged in 2007 with Levallois, later known as Metropolitans 92

Talent-Producing Clubs in Europe

Country-by-Country Analysis

 The following table provides the full breakdown of clubs sorted by number of players.

							
INSEP	TuS Lichterfelde / Alba Berlin	Peristeri	Benetton Basket Treviso	Zalgiris Kaunas	KK FMP Belgrade	Estudiantes Madrid	Anadolu Efes
Cholet Basket	NCAA	NCAA	NCAA	NCAA	Partizan Belgrade	Joventut Badalona	Banvit
NCAA	TSV Breitenguessbach / Brose Bamberg	Iliasiakos	Virtus Bologna	Neptunas Klaipeda	Crvena Zvezda	Real Madrid	Ülker
EB Pau-Orthez	USC Heidelberg	Filathlitikos	Pallacanestro Trieste	Sakalai Vilnius	KK Hemofarm	CB Malaga	Karsiyaka
Paris Racing Basket	SUM Phantoms Braunschweig	PAOK	Pallacanestro Reggiana	BC Siauliai	Spartak Subotica	FC Barcelona	Fenerbahce
Olympique Antibes	Giants Leverkusen	Olympiacos	Dinamo Sassari	Alita Alytus	KK Beovuk Belgrade	NCAA	Besiktas
ASVEL Villeurbanne	Koeln 99ers	Iraklis	Fortitudo Bologna	Lietuvos Rytas Vilnius	KK Vojvodina Srbijagas / KK Novi Sad	Manresa Basquet	TOFAS
Paris-Levallois	TuS Jena	Panathinaikos	Assigeco Casalpusterleno	Siauliu Saule-Aukstabalis	KK Atlas Novi Beograd / Beopetrol	Baskonia Vitoria-Gasteiz	TED Koleji
Elan Chalon	TK Hannover	Aris	Pallacanestro Gorizia	Laivite Klaipeda	Polet Keramika Novi Becej	Basquet Mallorca	Galatasaray
MSB Le Mans	DJK Würzburg	Karditsas	PMS Turin	V Knašius Basketball Sch	KK Mornar Bar	San Josep Badalona	NCAA
JSA Bordeaux Basket	TSV Quakenbrück	Egaleo AO	Basket Treviglio	Aisciai Kaunas	Radnicki Belgrade	Valencia BC	KK Celik Zenica
Poissy-Chatou	BC Hamburg Tigers	Olimpia Larissa	Juvi Cremona	Farmeka Vilnius	Bosna Sarajevo	Cantera JAC Sants	Darüssafaka
Castres	Telekom Baskets Bonn	Ethnikos Ellenoroson	Fortitudo Roma	Marciulionis BS	Borac Nektas Banja Luka	San Viator Madrid	Oyak Renault
Club Sannois	TV Langen	Asteras Neon Liosion	Siziano	Statyba Vilnius	BC Vojvodina Novi Sad	CB L'Hospitalet	
Chorale de Roanne	Bosna Sarajevo	Aias Evosmou	Pall. Monfalcone	Marciulionis BS	Proleter Zrenjanin	Olivar Zaragoza	
JL Bourg en Bresse	FC Bayern München	Danaos Trikala	Scavolini Pesaro	Klaipedos LCC TU	KK Zdravlje Leskovac	Forum Valladolid	
FO Provence Basket	TuS Aschaffenberg	Arion	AP Udine	Banga Kaunas	KK Avala Ada Belgrade		
SPO Rouen	SSC Südwest Berlin	Near East	Chiefti Basket	Atletas Kaunas	Lovcen Cetinje		
U. Poitiers Basket 86	BG Karlsruhe	Ionikos NF	Rimini Basket		Metalcac Valjevo		
Ville de Otages	Paderborn Baskets	Asteras AG Dimitriou	Ancona Basket		KK Napredak Kruševac		
ALM Evreux	USC Freiburg	AEK Athens	Pallacanestro Fiorentina		KK Sloga		
JDA Dijon	Rattelsdorf	Panellinos Athens	Stella Azzurra Rome				
	ASC Theresianum Mainz	Keravnos Larissa	Teramo Basket				
	Sharks Hamburg	BC Beroia	Olbia Basket				
		Kronos Agiou Dimitrou	Virtus Siena				
		YMCA Thessaloniki	Olimpija Slavonij Osijek				
		Mantoulidis	Pallacanestro Cantu				
		Maroussi Athens					

Talent-Producing Clubs in Europe

Key Observations

- 🏀 Concentration of player production: Just 10 clubs account for 29% of all senior national team players in the 8 countries analyzed. These clubs are spread across different leagues and economic contexts, but their combined influence underscores how a small number of institutions serve as Europe's primary talent engines.
- 🏀 Lower-league dependency: 54% of identified talent-producing clubs most recently played in the 2nd division or below, showing the importance of sub-elite domestic tiers for nurturing national team players. This reliance indicates that elite talent is not exclusively developed in high-budget, top-league environments.
- 🏀 High attrition rate: 11 clubs (7% of total) have ceased operations entirely, with another 2% having merged into other organizations. Once these clubs disappear, the local developmental infrastructure and cultural heritage tied to them are rarely recoverable.
- 🏀 Vulnerability to financial instability: Many dissolved clubs were victims of sponsor withdrawals, bankruptcy, or structural mergers, illustrating the fragility of youth systems that rely on a single major backer. Examples include Benetton Treviso (Italy) and Banvit Basketbol (Turkey), both significant contributors to national team talent before financial collapse.
- 🏀 NCAA as a talent drain: Across the six EuroBasket editions studied, 33 players bypassed or left European club systems for NCAA programs, a modest percentage overall, but one with outsized political and financial implications given recent NIL developments.
- 🏀 Role of institutional academies: Institutions like INSEP (France) operate outside the traditional club model but still rank among the top producers, highlighting that state-supported systems can rival or complement club academies in output.

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Cost Structure of Youth Development

Main cost items of clubs

- Most youth programs carry a broad cost base. The exact mix varies by country and club tier, but the line items are relatively consistent. Below table provides an overview of all major cost items in the context of youth development:
 - Facilities: Rent or internal charge for training hall(s) and gym access; utilities; floor maintenance, refurbishment; cleaning; security; insurance; equipment storage.
 - Technical staff salaries: Head of youth, age-group coaches, individual training coaches, S&C coaches, video/analytics support; statutory charges (taxes, social security), coaching education and licensing.
 - Medical & performance: Team doctor retainer, physio/rehab, diagnostic scans, injury insurance, return-to-play protocols; periodic screening.
 - Player welfare & education: School coordination/tutoring, language classes, exam prep; dual-career support; academic fees where applicable; learning materials and transport to partner schools.
 - Accommodation & meals: Club-run residency or boarding houses for out-of-town players; supervision staff; nutrition plans; daily meals/snacks; weekend/away-game catering.
 - Competition, travel & lodging: Domestic league fees, referees, medical cover at games; buses/flights, hotels, per diems for tournaments/cross-border friendlies; visas.
 - Equipment & apparel: Team kits, practice gear, shoes (partial subsidies), basketballs, wearable tech.
 - Player stipends ("pocket money"): Monthly stipends for older age groups, tied to attendance/education; appearance or tournament bonuses (where allowed by federation rules).
 - Scouting & recruitment: Scouts, trial events, data platforms, video etc.
 - Administration & compliance: Management, IT, compliance, club licensing, legal, accounting/audit etc.

Cost Structure of Youth Development

Typical budget bands

- Based on EBAG's consolidated estimate and cross-checks with selected club managers and other contacts, the majority of functioning European basketball academies operate between €0.15m and €1.2m per year, depending on city size, arena access, breadth of age groups as well as the academy type as per below categorization:
 - Lean regional program: Volunteer/part-time coaches, rented municipal halls, local league focus, limited boarding slots, minimal medical screening beyond basics.
 - Established club academy: Full U12–U20 ladder, paid staff across age groups, boarding for select prospects, consistent domestic travel, structured education support, baseline sports science.
 - Comprehensive academy: Dedicated facility/priority access, full-time multidisciplinary staff, full boarding, robust dual-career program, international tournaments, advanced medical/performance services.

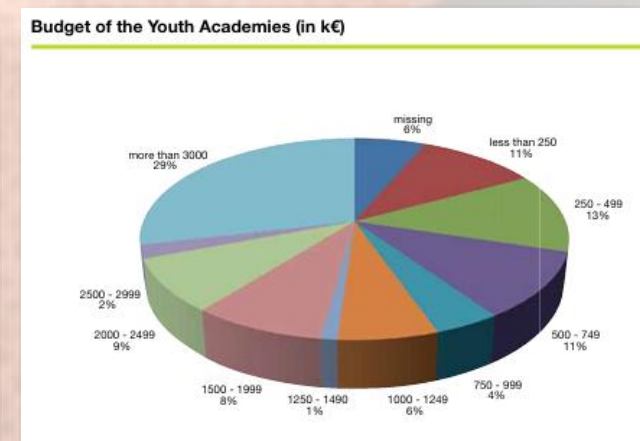
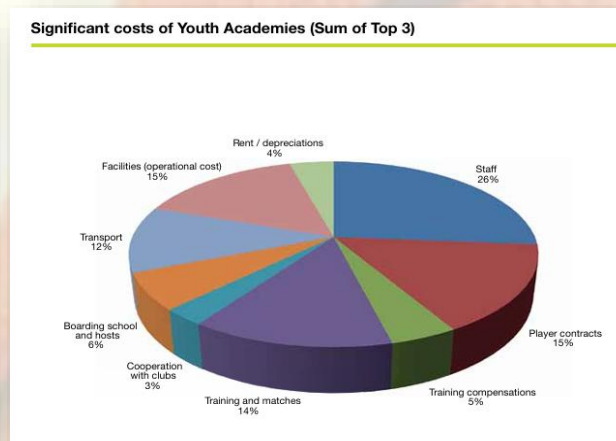
Key cost drivers & sensitivities

- Facility model: Municipal hall rental vs. club-controlled venue is often the single largest swing factor;
- Boarding intensity: Long distances or fragmented domestic leagues inflate transport and hotel costs; cross-border competitions multiply this.
- Staffing standards: Raising coach/player ratios or adding specialists (S&C, video, psychology) lifts fixed costs but correlates with retention and injury reduction.
- Education partnerships: Strong public-school partnerships lower direct academic costs; weak ones push clubs to fund tutoring/private schooling.
- Injury burden: A few long-term injuries can spike medical spend in a given season.
- Youth player transfers: Some clubs invest (significantly) in acquiring young players from other clubs.

Cost Structure of Youth Development

Comparison to football

- Football provides more public data on academy budgets, making it easier to compare costs across countries and club levels. Studies by FIFA and the European Club Association (ECA) show that, despite different revenue models, the cost structure of running a youth academy is similar in football and basketball, covering facilities, staff, travel, education, housing and welfare.
- Where football is far ahead is in formal funding mechanisms such as training compensation and solidarity payments whereas basketball lacks these protections, but the spending patterns are alike, meaning the football data can, to a certain extent, be indicative of realistic budget needs in European basketball. These similarities in cost structure mean that football's published benchmarks can serve as a useful proxy for basketball, especially where hard financial data from clubs is scarce. By referencing football's transparent budget categories and spending ratios, basketball stakeholders can better define what a sustainable youth program should cost and identify the funding gaps that need to be addressed.



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Sources of Funding for Youth Development

- Financing a youth basketball program in Europe typically requires multiple revenue streams. Few clubs can rely on a single source and the mix varies by country, club size, and the strength of local basketball culture. While youth budgets are often embedded in the overall club budget, many programs also attract dedicated funding specifically earmarked for development.
- Club Core Budget Allocation: Most professional clubs fund their youth programs as part of the main operating budget, drawing from central revenues such as ticket sales, broadcasting rights, merchandising and general sponsorships. In many cases, youth development is not treated as a separate profit center, meaning it must compete internally with senior team expenses.
- Special or Dedicated Sponsorships: Some clubs secure sponsorships specifically tied to their academy or grassroots programs. These can come from corporate partners seeking community engagement and CSR alignment, local businesses with strong ties to the club's catchment area, and/or equipment and apparel companies offering in-kind support (kits, shoes, balls) in exchange for brand visibility. While dedicated sponsorships rarely cover all youth costs, they can fund key enhancements such as travel for international tournaments.
- Transfer Fees and Player Sales: For talent-producing clubs, transfer fees can be the single most significant source of youth funding, though they are irregular and difficult to forecast. Clubs may receive direct transfer fees when selling a contracted player to another club, development or training compensation, where applicable under national federation rules, solidarity-type payments (where adopted domestically), offering a share of future transfers. In countries with no effective compensation system, clubs risk losing their best players to bigger domestic teams or NCAA programs without financial return undermining this potential funding source.
- In practice, most clubs blend these revenue streams depending on their cost structure and the specific amounts as well as likelihood of funding options.

Sources of Funding for Youth Development

- For talent-producing clubs, transfer income is often the difference between loss and profit. Football provides the clearest example. Ajax Amsterdam's model shows how a club that invests heavily in youth can sustain itself only if downstream value from players is captured reliably.



2022/23 Season	2023/24 Season
Ajax reported €39.0m net profit in 2022/23, with a €113.3m transfer result (primarily Antony, Lisandro Martínez, Sébastien Haller). Player trading was the decisive factor behind profitability.	A year later, transfer revenue declined (net transfer result €31.3m after amortisation), European bonuses were lower, and Ajax posted a €9.8m net loss, a clear illustration of volatility when player-sale proceeds weaken.

<https://www.ajax.nl/media/aslael3/ajax-jaarverslag-2023-2024.pdf>

- As such, for talent-producing clubs/academies, player-related income is not a bonus; it's core to financial sustainability. When mechanisms exist to track and allocate those revenues (clearing-house, player passports), clubs can plan their budgets; when they don't, budgets become fragile and pro-cyclical (boom in big-sale years, stress otherwise). Independent analyses* repeatedly highlight how player trading materially shapes club results.
- Relevance for basketball: In Europe, it is clear that football operates on a far larger financial scale, but the principle still applies. Even though transfer sums are smaller in basketball, recent years have seen European talents become NBA superstars where similar financial dimensions exist. This makes it vital to establish clear training compensation mechanisms so talent-producing clubs can secure a fair share of the value they create.

*) <https://static.poder360.com.br/2024/11/Football-Benchmark-The-European-Elite-2024-1.pdf>

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NBA and NCAA Impact

- The debate around the future of European youth development has intensified in recent years, with much of the attention focused on the growing number of top prospects leaving for U.S. colleges under the NCAA's NIL rules, such as Kasparas Jakucionis, Egor Demin, Dame Sarr, Ian Platteeuw, Melih Tunca, Guillermo del Pino, Imran Suljanović etc.
- These regulations, introduced in 2021, allow student-athletes to profit from personal endorsements and commercial activities without losing eligibility. For elite European players, this has made NCAA programs far more financially attractive than before, adding a direct monetary incentive on top of the existing appeal of U.S. college basketball's exposure, facilities, and competition.
- Several high-profile cases have fueled this conversation, as more European U18 and U20 national team members commit to NCAA programs. For European clubs, this is not just a sporting loss but a financial one. Unlike domestic or professional international transfers, NCAA moves involve no transfer fee or training compensation, leaving the original club with no return on its investment. The frustration is understandable, especially when these players have spent years in club-run academies.
- This trend also raises broader questions about competitive balance and the long-term sustainability of European clubs. As more elite prospects depart before signing professional contracts, the gap between development costs and financial return widens, placing smaller and mid-tier clubs under even greater strain. Without regulatory measures or compensation frameworks, the NIL era risks accelerating the erosion of Europe's grassroots talent base.



NBA and NCAA Impact

- However, in our opinion, the far bigger and longer-running issue lies not with the NCAA, but with the NBA's transfer rules. Under current NBA–FIBA agreements, the amount an NBA team can pay to a non-NBA club for a player's release is capped (currently around \$850,000)*, regardless of the player's market value.



Source: NBA

- The impact of such players extends far beyond their individual salaries or on-court performances. They become central marketing assets for franchises, drive merchandise sales worldwide, boost TV ratings domestically and internationally, and contribute to the NBA's global brand expansion. In economic terms, the return generated from these stars is measured in hundreds of millions of dollars, making the capped compensation to their formative clubs disproportionately small and increasingly indefensible.

- In practice, this means that when European-developed stars like Nikola Jokić, Luka Dončić and Giannis Antetokounmpo move to the NBA, their clubs receive only a fraction of the true developmental value they have provided. This is despite the fact that these players have gone on to generate enormous economic returns for the NBA, its franchises, and its broadcasters.

*) <https://www.si.com/nba/nets/news/nets-await-fiba-clearance-after-paying-max-buyout-for-nolan-traore-signing>

NBA and NCAA Impact

- The injustice is amplified by the fact that some of these talent-producing clubs no longer exist at all. The Serbian club that developed Jokić, KK Vojvodina Srbijagas, (before his transfer to Mega Basket in the age of 17) shut down due to financial difficulties. The Turkish club that produced Alperen Şengün, Banvit Basketbol, met the same fate. The Greek club that discovered and developed Antetokounmpo and his brothers, Filathlitikos, currently plays in the 4th division.



Nikola Jokić

KK Vojvodina Srbijagas, a professional basketball club from Novi Sad, Serbia, competed in the Basketball League of Serbia and the Adriatic League before disbanding in 2016 due to financial difficulties after main sponsor Srbijagas withdrew support. The club's roots trace back to KK Beobanka, a Belgrade-based team active in the 1990s, which relocated to Novi Sad in 2000 and became KK NIS Vojvodina. Over the years, the team underwent several name changes and in 2011 merged with KK Novi Sad to strengthen its finances.

Despite these efforts, persistent financial instability led to bankruptcy and dissolution.



<https://x.com/MILOSEVIC/>



Alperen Şengün

Founded in 1994 by employees of the Banvit poultry company in Bandırma, **Banvit Basketbol** rose quickly through the Turkish basketball system, reaching the top-tier Basketbol Süper Ligi (BSL) in 2004. The club became a consistent domestic contender, highlighted by a 2013 BSL Finals appearance and winning the Turkish Cup in 2017, and was a regular participant in European competitions, finishing as Basketball Champions League runners-up in 2017. After a name change to Bandırma B.İ.K. in 2019 and a sponsorship deal as Tekşüt Bandırma, the team **withdrew from the BSL in 2020 due to financial difficulties and was dissolved in 2021.**



<https://beinsports.com.tr/fotogaleri/giresundan-houstona-uzanan-bir-basari-hikayesi/4>



Giannis Antetokounmpo

EFAO Zografou B.C., also known as **Filathlitikos B.C.**, is a Greek basketball club from Zografou, Athens, best known as the first team of Giannis Antetokounmpo and his brothers. Founded in 1986, the club rose to national prominence in the 2012–13 season, competing in Greece's second-tier A2 Basket League and finishing third, with Giannis and Thanasis Antetokounmpo among its standout players. **Following relegation in 2014, Filathlitikos merged with O.A. Zografou in 2016 and was later renamed EFAOZ in 2018.** Despite not competing at the top level, the club holds a unique place in basketball history as the starting point of one of the sport's most famous families.



<https://www.eurohoops.net/en/trademarks/897739/wh-en-giannis-lost-the-promotion-to-the-top-greek-division/>

NBA and NCAA Impact

- To fully understand the challenge, it is important to contrast Europe's reliance on transfer and training compensation with the NCAA model, where an entirely different set of incentives drives investment in talent and there are no compensation payments from the NBA to the colleges.
- The difference with the NCAA is structural: U.S. colleges do not need transfer money from the NBA because their athletic programs generate value in other ways. A successful basketball program boosts the school's visibility, attracts more applicants, strengthens alumni engagement and increases donations and sponsorship revenue. When a player they developed is drafted into the NBA, it enhances the school's brand, aids recruitment for future athletes, and can even lead to larger media deals. These built-in institutional benefits mean colleges can justify investing in top talent without requiring transfer compensation, something European clubs, which operate in a competitive market without these indirect revenue streams, simply cannot replicate.
- The NBA's position is harder to justify economically. Basketball talent, especially elite-level talent, is a scarce global resource. Without the players, there is no product and the NBA's growth has been fueled in part by the influx of international stars. Yet, the current system shifts the cost and risk of developing these players entirely onto European clubs, while allowing the NBA to capture the bulk of the long-term value. In some cases, players themselves are left to cover significant buyout amounts, occasionally resorting to personal savings or even bank loans, to complete their move to the NBA.
- In short, while the NIL-driven NCAA drain is a fresh challenge, the structural undervaluation of European development by the NBA is the more damaging, long-term problem. And the proof is already here: clubs that produced global superstars have disappeared, are struggling in the lower leagues or are on the brink of abandoning youth development altogether. If that is the price of the current system, it is not only unfair, it is economically irrational and inefficient.

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Agents and Their Significant Influence

- In the current basketball ecosystem, agents are among the few stakeholders who consistently benefit from the status quo. Those with a strong market position and privileged access to talent, particularly at the youth and early professional stages, are able to capture significant economic value, often at the expense of both players and clubs. Over the past decade, the concentration of influence among a small number of agencies has steadily increased, creating a market where a handful of powerful intermediaries dominate player representation across multiple leagues and countries.
- While this report does not provide a full, data-driven analysis of the increasing concentration of power among agents, an issue explored in detail in another EBAG report, *The Economic Design of EuroLeague**, it is essential to address their role in the context of youth development and the protection of clubs.
- The trends and practices described here are not isolated incidents but part of a broader structural shift in European basketball's talent market. Agents now play a decisive role not only in the careers of elite players but also in the international movement of youth prospects, where the lack of strong contractual protection often leaves development clubs exposed. Their growing influence on decision-making processes at the club level, whether through direct involvement in management or through indirect pressure, makes their regulation and oversight an indispensable component of any long-term solution for sustaining youth development.



*) https://eb-advisorygroup.org/wp-content/uploads/2024/05/EBAG-Report_12_The-Economic-Design-of-Euroleague_FINAL.pdf

Agents and Their Significant Influence

- This concentration is not merely a matter of scale; it comes with practices that raise serious concerns about integrity, transparency and the long-term health of the sport. In some cases, agents' influence extends far beyond contract negotiations, reaching into direct/indirect control of clubs. Reports have surfaced of agencies effectively running a club's sporting operations, including decisions on coach and player transfers. Such arrangements blur the line between representation and management, creating deep conflicts of interest.
- Concrete examples of questionable practices include:
 - Integrity risks in competition: Agents representing multiple key players across competing clubs, potentially influencing transfers, playing time or even in-season roster changes that could affect league standings.
 - "Package deals": Clubs feeling pressured to sign multiple players from the same agency to secure the signature of a top prospect.
 - Late-season funding to avoid relegation: Instances where agents provide financial support or arrange short-term player loans to help keep a client-heavy club in the top division, moves driven by the agent's portfolio interests, not by club strategy or youth development.
 - Shaping club transfer policy: Clubs with weak governance structures relying heavily on agents for player recruitment, effectively outsourcing a core sporting function to parties with their own commercial priorities.
 - Cherry-picking of talent without fair compensation: Agents orchestrating the move of top young players from smaller, talent-producing clubs to bigger teams or overseas opportunities, often before a secure professional contract is in place, leaving the original club with little or no financial return for years of investment.
 - Early targeting of youth players: Agents signing players at increasingly younger ages, influencing career decisions before the player or family fully understands the long-term consequences.

Agents and Their Significant Influence

- The growing role of agents in international transfers of young players is especially problematic. These transactions often occur before the player has signed a secure professional contract with their development club, leaving the club with little negotiating power and no meaningful compensation. In such cases, the agent's primary objective, maximizing the player's short-term exposure and their own commission, can directly undermine both the player's long-term development pathway and the club's financial stability.
- In essence, while agents are a legitimate and necessary part of modern sports, their unchecked influence in European basketball is creating systemic vulnerabilities. Without stronger regulation, oversight and conflict-of-interest rules, these trends will continue to erode the sustainability of youth development and the competitive integrity of leagues.
- This is precisely where a proactive and effective governing body is essential. The critical question is whether FIBA can, and will, establish a regulatory framework capable of protecting the sport's long-term interests.
- The next section examines FIBA's role in addressing these issues and its capacity to implement effective solutions. This includes not only setting fair transfer and compensation mechanisms but also regulating agent activity, safeguarding the integrity of competition and ensuring that talent-producing clubs are not systematically disadvantaged. Without strong governance at the international level, the current trends will continue to erode both the economic sustainability of clubs and the overall competitiveness of the sport.

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FIBA's Critical Role as Governing Body

FIBA's Role

- As the global governing body of basketball, FIBA is uniquely positioned to set and enforce the rules that protect the sport's integrity, ensure fair competition and safeguard the sustainability of talent development worldwide. Its authority extends across all continents and levels of play and its governance model, anchored in national federations, gives it both the mandate and the responsibility to address structural problems that leagues or federations cannot solve alone. Below are FIBA's strategic priorities and objectives for 2023-2027 that are relevant for this matter.



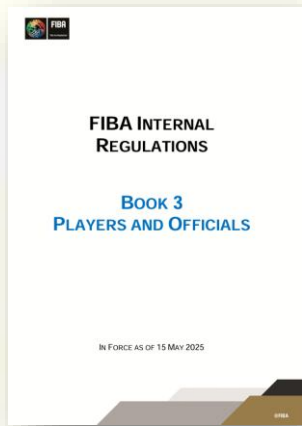
<https://assets.fiba.basketball/image/upload/v1728586740/documents-corporate-others-strategy.pdf>

- At the international level, FIBA controls player transfers between federations, sets eligibility criteria and regulates key aspects of the sport's commercial and competitive framework. This makes it the only body capable of introducing and enforcing mechanisms that ensure clubs are fairly compensated for the talent they develop, regardless of whether a player moves to another European club, the NCAA, or the NBA.

FIBA's Critical Role as Governing Body

NIL and the "Letter of Clearance" Proposal

- Following FIBA Central Board's related decision, Secretary General Mr. Andreas Zagklis recently announced plans to require a "Letter of Clearance" for players moving from Europe to NCAA programs under the NIL regime*.



- The FIBA Letter of Clearance (LOC), as regulated in FIBA Internal Regulations - Book 3, is an official certificate confirming a player is free to transfer internationally and that a new National Member Federation can license them. Requests are submitted through the FIBA Information System and require verification from the player's federation of origin within set deadlines, ensuring there are no contractual, disciplinary, or eligibility conflicts.
 - Special provisions apply for young players, including conditions on education, development programs and potential compensation to the player's original club to protect youth development investments.
- In principle, the requirement of an LOC for players moving from Europe to NCAA would be a positive step, as it would formally involve national federations and clubs in the process, potentially creating an avenue to address the loss of players without compensation. However, there are two major concerns. First, NBA transfers are conspicuously absent from the discussion. While NIL has captured headlines, the far bigger financial leakage for European clubs has long been capped NBA buyouts, an area where FIBA has yet to deliver any tangible results. Second, FIBA's current partnership with the NBA in launching a new league raises legitimate questions about whether it is willing, or even able, to confront this issue head-on.

*) <https://about.fiba.basketball/en/news/fiba-central-board-approves-rescheduling-of-future-fiba-womens-basketball-world-cups-as-of-2030>

FIBA's Critical Role as Governing Body

Past Practice: Problematic Precedents in International Transfers

- The principle of involving FIBA in setting compensation fees is not new. Especially in the case of international transfers of young players, FIBA plays a crucial role as per the FIBA Internal Regulations that are currently in effect:
 - Decision-making authority & document requests: According to Articles 74-75, when a player aged 14–18 is registering for the first time with a foreign National Member Federation, the Secretary General may request any necessary documents to determine if the transfer complies with the youth transfer rules. The Secretary General also evaluates whether the transfer is genuinely linked to basketball, considering factors such as education, training, and development programs.
 - Compensation principles: Under Articles 79-87, if the transfer is linked to basketball, the Secretary General intervenes (Article 79b) to determine a reasonable amount of compensation for the player's development when the original and new clubs cannot agree. This compensation is based primarily, though not exclusively, on the investments made by the original club(s) in developing the player. Payment is generally made to the National Member Federation of origin for redistribution to the clubs that contributed to the player's training (Article 87).
 - Conditions for granting a Letter of Clearance: As per Article 77, the Secretary General ensures that the new club commits to providing adequate academic and vocational training, proper basketball development programs, and contributions to the FIBA Solidarity Fund, as well as guarantees that the transfer will not disrupt the player's schooling.
- In summary, the Secretary General acts as both regulator and arbitrator in youth transfers, verifying compliance, protecting player welfare and ensuring fair compensation for talent-producing clubs, especially when disputes arise or when transfers are initiated at sensitive developmental ages.

FIBA's Critical Role as Governing Body

Past Practice: Problematic Precedents in International Transfers

- These regulations are clearly intended to safeguard young players while ensuring that talent-producing clubs are fairly recognized for their developmental work. However, in practice, there have been cases where FIBA's decisions appeared to prioritize the interests of the player, the receiving club and at times the agents involved, leaving the talent-producing clubs feeling their concerns were not fully addressed.
- The transfer of Mert Akay, once considered one of the brightest prospects in Turkish basketball, from Darüşşafaka to a Serbian club became a striking example of the tensions surrounding FIBA's international transfer decisions.
- Despite Darüşşafaka's substantial investment in Akay's development, including early integration into the senior squad, EuroLeague and BSL playing time, and a planned starting role in EuroCup, the player left without the club's consent, with the move facilitated by an agent. In its press release, the club expressed deep frustration, arguing that FIBA's decision to approve the transfer for a minimal compensation amounting to just EUR 15,000 ignored the club's legitimate rights and undermined the incentive to invest in youth development. The club warned that such rulings open a dangerous precedent, eroding the protection of talent-producing clubs.



<https://darussafakabasketbol.com/mert-akay-basin-aciklamasi/>

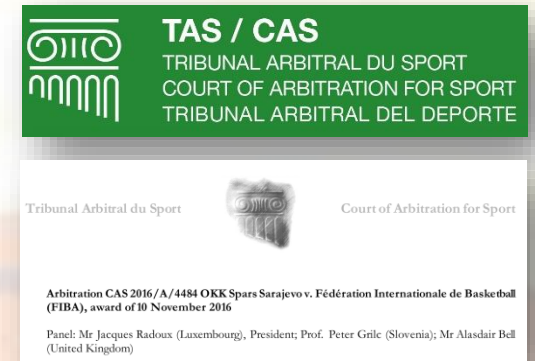
The risks of such moves were underscored by subsequent events: Akay suffered a serious ACL injury and has since faded from top-level competition, while Darüşşafaka, already operating under financial strain for many years, has recently been relegated to the Turkish second division, TBL.

FIBA's Critical Role as Governing Body

Past Practice: Problematic Precedents in International Transfers

- In such dispute cases, the key discussion point is mainly around the amount of compensation. The CAS decision *2016/A/4484 OKK Spars Sarajevo v. Fédération Internationale de Basketball (FIBA)*, award of 10 November 2016 provides valuable insights into FIBA's underlying logic when determining these amounts. In this particular case, the dispute arose when Serbian OKK Spars Sarajevo challenged the compensation set by FIBA for the international transfer of a young player it had developed. OKK Spars had requested EUR 103,110 whereas the receiving club BC Cedevita paid CHF 3,000 to FIBA Solidarity Fund and EUR 35,000 to OKK Spars. FIBA had subsequently confirmed that the process was in all aspects completed after these payments were made.
- In its reasoning, FIBA referred to Article 3-55 of the FIBA IR (in the current version 3-79) arguing that the compensation shall be based primarily, but not solely, on the investments made by the club(s) that have contributed to the development of the player with exactly below wording:

- e) Taking into account that the Player, who is considered to be a talented athlete for his age, was registered with OKK Spars for a period of approx. 33 months, and taking into account the circumstances of the case, including the representations and documentation made and submitted by the parties, together with the fact that the investments made by clubs in youth programmes normally result in a very low number of players who reach the playing skills required for top level play, it is found that the total investment in the Player by OKK Spars during this period were substantially lower than the amount of EUR 103.110 requested by OKK Spars.



FIBA's Critical Role as Governing Body

Past Practice: Problematic Precedents in International Transfers

- In our opinion, while the approach highlighted on previous slide (i.e. conclusion for a lower compensation amount due to low number of players reaching the elite level) might appear pragmatic from a statistical perspective, it raises serious concerns from the standpoint of protecting talent-producing clubs, given the fact that basketball is a team sport and that development of individual talent cannot be achieved without collective investments in teams.
- By anchoring compensation to the average likelihood of success—rather than the actual developmental investment in the individual player, this logic effectively penalizes clubs that take on the financial and logistical burden of nurturing young talent. The result is a systemic undervaluation of youth training work, leaving clubs with limited return on their investment, disincentivizing long-term development programs, and ultimately undermining the sustainability of grassroots basketball in Europe.

Agent Regulations: Persistent Inaction

- Agent regulation remains a challenge, particularly regarding the growing concentration of influence among a small number of agencies and potential conflicts of interest. FIBA could take a more active role in strengthening and enforcing relevant provisions in its Internal Regulations, especially Article 301, of FIBA IR Book 3 to better safeguard competitive balance and the interests of talent-producing clubs.

CONFLICTS OF INTEREST

299. FIBA-Licensed Agents shall avoid any conflicts of interests. Whenever any conflict of interest arises, a FIBA-Licensed Agent shall disclose it to the relevant client(s) and remedy the conflict immediately. In particular, to avoid any conflicts of interest, a FIBA-Licensed Agent (and any legal entity or non-incorporated business through which he operates) shall not:
- Represent or advise more than one side in the same transaction; or
 - Accept payment for his or her services by anyone other than his or her client; or
 - Represent or advise a club in any transaction if the FIBA-Licensed Agent (or any legal entity or non-incorporated business through which he operates) is under contract with any Player registered with that club; or
 - Directly or indirectly use a third party to circumvent the restrictions set out in letters a to c above.
300. Players and clubs shall not be involved in any transaction or payment if they are aware or should reasonably have been aware that an agent, whether licensed or not, is involved in such transaction or payment in violation of article 3-299.
301. A FIBA-Licensed Agent or a person applying to become a FIBA-Licensed Agent (the latter referred to as a "Candidate" in this Chapter) may not, under any circumstances, hold a position within or be otherwise involved personally or through third parties in FIBA, a Zone, a National Member Federation, a club, or any organisation affiliated or connected to such entities such as leagues or players' associations. For the avoidance of doubt, a player of a national team or club is deemed to be involved personally in the relevant National Member Federation or club.

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Suggestions for Improvement

The challenges identified in previous sections point to a common theme: European basketball's talent pipeline cannot be sustained without structural reforms that ensure fair compensation, protect club investments and regulate market actors. The following measures represent concrete steps that governing bodies, leagues and federations can take to address these issues.

NBA Transfer Fee Reforms

- The current NBA–FIBA agreement caps the transfer fee payable to a non-NBA club at a figure far below the market value as well as the cost of developing an elite player. This is economically irrational in a market where top European talent generates enormous value for NBA franchises.
- Recommendation: Negotiate a revised agreement with the NBA that:
 - Removes or substantially raises the cap on buyouts for players under contract.
 - Introduces a formula-based compensation model linked to the player's market value, similar to international football transfers, FIFA's Training Compensation regulations.

NIL Fair Compensation

- Principally similar to the NBA transfers, fairness in NIL-related moves requires that clubs receive compensation covering the full cost of player development.
- Recommendation: FIBA should work with NCAA and national federations to:
 - Introduce a compensation framework for NCAA-bound players, based on documented development costs from age-group programs.
 - Make the "Letter of Clearance" conditional on settlement of these costs.
 - Ensure transparency in the calculation of such fees to prevent undervaluation.

Suggestions for Improvement

Agent Regulations

- The unchecked influence of agents, especially those controlling significant portions of elite youth talent, poses a systemic risk to the competitive integrity, financial sustainability and player development structures of European basketball. Without stronger oversight, these trends will continue to erode the foundations of the sport.
- Recommendation:
 - Strengthen the FIBA Agent Licensing System by introducing more detailed and binding Codes of Conduct, requiring agents to comply with clear professional and ethical standards
 - More strict and effective conflict-of-interest rules that explicitly prohibit agents from holding any decision-making role, formal or informal, in clubs, federations, or other organizations where they represent players.
 - Mandatory disclosure of client rosters to both FIBA and relevant national federations, ensuring transparency on which players an agent represents at any given time and enabling better detection of conflicts of interest.
 - Enforceable penalties for “cherry-picking” youth players before they sign professional contracts, particularly when the move leaves their development clubs without fair and proportionate compensation.
 - Require all agent-mediated transfers of under-21 players to be reported to and approved by the relevant national federation and FIBA.
 - Annual compliance audits for licensed agents, including random checks on contract terms, transfer processes, and relationships with clubs to detect and deter improper influence.
- By implementing these measures, FIBA can create a framework that not only protects young players but also safeguards the investments and development efforts of clubs, ensuring a more balanced and sustainable basketball ecosystem.

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Conclusion

- Talent development is the cornerstone of European basketball. It is the engine that produces national team stars, sustains professional leagues, and inspires the next generation of players. Without a healthy and well-supported development system, the sport's long-term competitiveness and cultural relevance will inevitably decline.
- Yet, for decades, a series of structural and market developments have steadily eroded this foundation. The lack of fair NBA transfer fees, the absence of compensation for NCAA-bound players, the growing influence of agents and inconsistent governance by FIBA have combined to weaken the position of the very clubs that create basketball's most valuable asset, its players. Some of Europe's most productive talent incubators have disappeared, fallen into lower divisions, or are openly considering shutting down their youth programs.
- In recent years, there has been a noticeable awakening. Clubs, federations, and stakeholders are speaking more openly about the risks of losing Europe's talent base. The debate around NIL rules, the public reactions from major clubs and the push for stronger governance are all signs that the problem is finally being recognized at a broader level.
- However, recognition alone is not enough. Solutions must be designed and implemented with a holistic view, one that addresses every link in the talent development chain. Reforming NBA transfer rules without tackling agent regulation will leave critical vulnerabilities. Introducing NIL-related compensation without building a long-term solidarity funding system will not stabilize budgets. Protecting one segment of the pathway while ignoring others will simply shift the pressure elsewhere.

Conclusion

- In this context, FIBA's intentions to cooperate with the NBA to launch a new European league deserve careful scrutiny. While such a project might offer commercial opportunities, it also risks creating conflicts of interest that make it harder for FIBA to challenge the NBA on the issue of capped transfer fees, arguably the single biggest structural threat to European clubs. Any cooperation must not come at the expense of protecting the economic sustainability of the continent's development system.
- If the sport's leaders fail to act with a comprehensive, coordinated approach, Europe risks dismantling the very structure that has produced its greatest basketball successes. The players are, and will always be, the key element of the game. Ensuring that the clubs who develop them are rewarded and protected is not just a matter of fairness; it is a matter of survival for European basketball.
- We, as the European Basketball Advisory Group (EBAG), approach these challenges from an independent and neutral perspective. Our analysis and recommendations are designed to benefit European basketball as a whole, but above all to protect young players and fans, who form the true backbone of the sport. Without safeguarding their future, any reform will be meaningless and the cultural and community value of basketball in Europe will be diminished.



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