

## Challenges for the New Cohesion Policy in 2014-2020: An Academic and Policy Debate

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The Latvian Presidency of the EU, together with DG REGIO and the Regional Studies Association, organized a conference on the challenges for the reformed cohesion policy 2014-2020 that took place on 4-6 February 2015 in Riga. It aimed to bring together the academic and policy worlds to take stock of the challenges and opportunities for cohesion policy in 2014-2020.



This event was the second in a series of EU Cohesion Policy Conferences and was held at the University of Latvia in Riga. The conference sought to debate the challenges facing cohesion policy up to 2020 and the related policy and research priorities. It brought together three different constituencies – members of the EU institutions, Member State representatives and members of academia. The discussions were around 5 thematic blocks:

- Economic geography and Cohesion policy: how are the economic and social challenges for European Structural & Investment Funds changing?
- Institutions and governance: what can Cohesion policy do to strengthen public administration and effective management of the Funds?
- Performance and results: how can Cohesion policy resources be used most effectively and efficiently?
- Instruments: what kind of Cohesion policy interventions makes a difference?
- EU economic governance and Cohesion policy: what are the implications of governance reforms for Cohesion policy?

Cohesion Policy is financially the most intensive EU policy and aims to reduce disparities between EU regions. The objective of the new Cohesion Policy 2014-2020 is to promote the achievement of “Europe 2020” goals and allocate financing to underlying priorities – innovations, business support, employment and modern public administration.

Discussions focussed on understanding the current situation in Member State programming particularly how the principles of Cohesion policy are being translated into practice and highlighting the importance of good governance and administrative capacity. Many of the workshops focussed on 'what works in cohesion policy' - the effectiveness, relevance and utility of Structural and Investment Funds at EU level and in individual countries and regions, especially in addressing the goals of Europe 2020 and dealing with pressing challenges such as youth unemployment.

It was highlighted that building robust systems to measure performance is a challenge for both academics and policy makers, including assessing the impact of the policy for which a multiplicity of approaches is essential given the broad range of areas of intervention.

The new policy challenges existing arrangements of multi-level governance and encourages the involvement of new actors and the creation of new partnerships across administrative boundaries. The quality of institutions and governance is a crucial element for the effective implementation of public policies and cohesion policy in particular. However, it was also found that context mattered and that it was not possible to make a simple causal linkage between the quality of governance and economic performance. It was also considered important to look deeper into what was meant by good governance and good institutions.

The conference provided insights into the evolving economic policy context, the dynamics of regional growth processes and the way in which regional policy sought to promote economic growth. Different approaches co-exist (econometric, non-parametric) and many different factors can contribute to this: human capital, infrastructure, the resilience of regions.

The importance of economic governance and the relationship of Cohesion policy with the Juncker Investment Plan and the European Strategic Investment Fund were discussed, highlighting the challenges of making most effective use of available instruments.

*“Cohesion Policy, if considered as an investment policy, can play an important role in growth of each EU Member State. Latvia will take over the Presidency of the Council of the European Union in the beginning of the new reformed Cohesion Policy 2014-2020 investment cycle. European regions are still affected by serious economic challenges. Therefore, the reformed Cohesion Policy will be an important tool for Member States and regions to overcome successfully these challenges. Together with other economic growth promotion measures and new Cohesion Policy programs we can achieve a significant result”,* indicates Finance Minister J.Reirs.

Conference brought together 140 participants from the academic community, EU institutions, and national government authorities from 14 countries. Attended by the Director-General of DG Regio and the Chair of the European Parliament's REGI Committee, two and half days of discussion focused on the regional development challenges for European Structural and Investment Funds, the role of Cohesion policy in strengthening public administration and effective Funds' management, the performance and results of the policy, the use of different types of instrument, and the implications of EU economic governance reforms for Cohesion policy. John Bachtler presented a plenary paper in the opening session of the conference reviewing the challenges for Cohesion policy, and presented a paper in one of the workshops on

the long-term impact of Cohesion policy 1989-2012 based on a study undertaken by EPRC for DG Regio, as well as moderating the concluding session of the Conference.

I would like to mention also **Mark Langley's** report as President & CEO of the Project Management Institute (PMI). He presented PMI assessment of various studies provided by Research Department which shows that the application of program and project management practices can enhance the performance of public authorities. Furthermore, as the CPR has been established in order to improve coordination and harmonize the implementation of EU Funds, it is expected that it will simplify its use by recipients and reduce the potential risk of irregularities. However, building the capacity of local actors to develop and implement operations including fostering their project management capabilities, should be taken into account as a one of the effective management of the EU Funds though drivers.

Managing EU Funds requires unique skills, capabilities, processes and practices, particularly project and program management. The above mentioned critical disciplines that can be applied to EU Funds may ensure effective implementation success on the ground in the EU Member States. Furthermore, PMI's research shows that organizations need to focus on the development and training of their talent in order to achieve superior project performance, successful strategic initiatives and become high performers in order to avoid high cost at the end. In addition, not only must focus on development of people and practices by which they do that, but also need to focus on managing people through rapid changes -strategic focus on people, processes and outcomes are crucial items.

However, institutional capacity is not just a technical matter of training civil servants in the European Union and other markets across, but should be seen as component of good governance which is a basis for institutional capacity building, creating trust and social capital.

**Mark Langley** also concluded that successful organizations have a continued focus on the outcomes of the intended benefits of their projects and programmes. Based on the mentioned, it's clear that once the organizations developed and deployed three focus areas (people, processes and outcomes), it would lead to increased success of both projects and strategic initiatives on the ground. And the research proves that organizations that develop these competencies lose 12 times less money and mitigate the high cost of low performance.

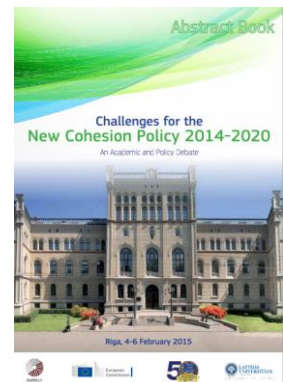
Why project management practices are important for this theme? Because it gives analysis, competitive intelligence, market analysis and information gathering outcomes that EU Institutions not necessary are able to capture while analyzing the efficient implementation of policy objectives. PMI's research methodology includes investments in both quantitative and qualitative research, which meet globally-accepted standards of rigor. This primary research is carried out independently or in partnership with credible research and consulting entities, with a goal to capture deeper information and insight on all aspects of the profession, but especially on its evolving practices and value to business success.

Our surveys pursue respondents from diverse industries, departments, and geographies (North America, Asia-Pacific, EMEA, and Latin America). Respondents answer a series of questions, either through an online survey for quantitative research or in an in depth telephone interview format for qualitative research, which are designed to capture the respondent's perspectives around topics, practices, and activities critical to the professional at any point in time. The PMI

research conclusions are based on analysis of the quantitative data, which includes metrics relating to cost, quality, and time, which are the hallmarks of project success. Research representatives look at what practices correlate to performance improvement. And they compare the data of survey respondents to identify patterns of success and the practices that align with that success. Measures for reinforcing the administrative capacity of the authorities involved in the management and control of the programmes in EU Member States will now finally be given the priority they deserve. And it is essential and timely to address it respectively.

You can download an Abstract Book of presented papers here:

All presentations of conference reports available for downloading here:  
[http://ec.europa.eu/regional\\_policy/sources/conferences/challenges-cp-2014/presentations.zip](http://ec.europa.eu/regional_policy/sources/conferences/challenges-cp-2014/presentations.zip)



Photos from the conference:





## About the Author



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**Emīls Pūlmanis** is a member of the board of the Professional Association of Project Managers in Latvia and Deputy Director of the Project Implementation and Control Department at the State Regional Development Agency of Latvia. He has gained a BSc. in engineer economics, a professional master's degree in project management (MSc.proj.mgmt) and currently is a PhD candidate with a specialization in project management. He has elaborated and directed a number of domestic and foreign financial instruments co-financed projects. He was a National coordinator for a European Commission-funded program – the European Union's financial instruments PHARE program in Latvia. Over the past seven years he has worked in the public administration project control and monitoring field. He was a financial instrument expert for the Ministry of Welfare and the European Economic Area and Norwegian Financial Mechanism implementation authority as well as an expert for the Swiss – Latvian cooperation program as a NGO grant scheme project evaluation expert. He has gained international and professional project management experience in Germany, the United States and Taiwan. In addition to his professional work, he is also a lecturer at the University of Latvia for the professional master study program in Project management. Emīls has authored more than 25 scientific publications and is actively involved in social activities as a member of various NGO's.

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