



EUSBSR Support

TOWARDS POLICY IMPACT: building capacity together

Excerpts from draft material for future PAC / HAC Manual
(Phase 1/Monitoring and Evaluation)

*The EUSBSR Support
December 2018*

On the way to coherent EUSBSR

Inputs for the management and evaluation of Policy Areas and Horizontal Actions

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Introduction

In order to develop a M&E system, easy-to-use and yet reflecting the complex and ambiguous reality of a PA/HA, one should be reminded of the unique role of the EUSBSR as a macro-regional strategy in the EU context of today.

In essence, macro-regional strategies are referred to as "implementors" of the EU Cohesion policy in the four European macro-regions. Until their emergence, the role of "implementor" was played by *projects* of various sizes and scopes. Judging by the fact that the lion share of the EU funding is allocated in national and regional funds, cohesion was assumed to be assured through raising living standards *within national borders* and by *implementing sizeable projects*. In reality, most of the challenges pressing European development today, are much wider in geography and much more complex in scope and impact than any nation alone can manage. And certainly, approaching such challenges requires "implementors" with a much higher impact potential than any project regardless of its size.

In practice, a macro-regional strategy *is an integrated framework that can address region-wide, common challenges*, by working at two levels simultaneously:

- the policy level – by sustaining and deepening generative, multi-stakeholder policy dialogues across the region, and
- the implementation level, where existing and new policies get enacted and produce tangible impact "on the ground", by efforts of all types of actors gathered through the multi-level governance (MLG) principle inherent to the strategy.

Seen as *strategic frameworks*, macro-regional strategies seem to become the implementor of appropriate size, scope and character – to match the level of the modern cohesion challenge in Europe, and the actual bulk of EU funding available for the purpose, at the various governance levels.

Developing territorial monitoring and evaluation systems with regards to activities and impact of the MRSs, is a challenge that is currently being addressed by a number of specialized agencies (ESPON, Nordregio, Vasab, Helcom) and facilitated by prominent consultancies such as COWI and Spatial Foresight. Their ideas have prompted inputs for the development of the EUSBSR-internal system for monitoring and evaluation, at the level of Policy Areas and Horizontal Actions. The present draft reflects the collective effort of the EUSBSR Policy Area Coordinators (PACs), Horizontal Action Coordinators (HACs) and the development team of the EUSBSR Support, a project designed to support those in their work.

Besides the work with monitoring&evaluation, the EUSBSR Support is there to help the PACs/HACs (and other EUSBSR implementing stakeholders) to reflect on other aspects of their functional role and practice, and to figure out efficient and impactful ways to perform this complex role (*modus operandi*). One working format has emerged as arguably the best one so far - "flagship" is in essence, a collaborative, MLG-based, development process that aim to address

a big shared challenge, by a set of interrelated policy-development processes and more conventional activities, that together produce the impact desired to tackle the challenge. Flagships may contain projects, but as they are not projects, they live as long as the challenge in question needs intervention. Such innovative ways of international collaboration prove a task for both funding and evaluation, which we are trying to consider when developing the PA/HA-level monitoring&evaluation system.

PA / HA Monitoring and Evaluation issues

When MRSs perform, the results get embedded into larger macro-regional performance context which makes it very difficult to determine which of them can be attributed to performance of Policy Areas/Horizontal Actions. To make it "worse", there are no visible/tangible outcomes to evaluate externally, while a strategy is (and subsequently, PAs and HAs) in Phase I of its development¹.

While in Phase I (and initially, Phase II) the focus of PA/HA activity lies in the field of **building internal implementation capacity** of individuals and their institutions involved in structuring and managing the Policy Area/Horizontal Action. This foundational work should not be diminished in significance, and it too, can and should be evaluated, not least for its predictive value of the efficiency of work to come.

A visible constraint for PA/HA performance is the fact that the overwhelming majority of PACs/HACs, being employed in their organisations, can only work part-time directly for the EUSBSR. The time available should be used effectively and efficiently, which is why this fact, too, should become an object of reflection.

Making choices between quantitative and qualitative indicators, a PAC/HAC faces the fact that almost all of her work is 'intangible and unmeasurable' in conventional terms. Natural lack of experience of setting such targets and indicators is a common challenge in the PAC/HAC community, which explains the varying quality of targets and indicators in their respective Action Plans.

Inspired by the above COWI-study, we have created a **development model of PA/HA**, that consists of 3 Phases (and two transition spaces in between). The Phases are described in terms of activities of PAC/HAC needed in each phase, as well as the resulting outcomes which determine the transitions between the phases. The forthcoming M&E system should be developed with regards to these developmental stages.

This is a first draft of a possible M&E Guidelines that attempts to capture the scope and character of the work performed by PACs and HACs. While we acknowledge the skills they need for setting and managing quantitative targets and indicators (applied for projects and project-like elements of flagships),

¹ STUDY ON MACROREGIONAL STRATEGIES AND THEIR LINKS WITH COHESION POLICY, November 2017, by COWI at al. EUROPEAN COMMISSION DIRECTORATE-GENERAL REGIONAL AND URBAN POLICY

we try to focus on assisting them in developing less tangible / qualitative targets and indicators. To complement this foundational set of areas, targets and indicators, further guidance will be developed for monitoring and evaluation of *flagships as developmental processes*.



The focus of this particular binder lies primarily, in **Phase 1/1A of the Policy Area/Horizontal Action development**. This is a mission critical phase which creates prerequisites, sets standards and measures, and guides the PA/HA implementing stakeholders in their strategic and operational work, in further stages. One cannot overestimate significance of "getting it right from the start" – the quality of decisions made in Phase 1 determine the overall performance of the Policy Area / Horizontal Action.

PA/HA Development Phases: Activities, Outputs and Indicators

The PA/HA Development Model² is prompted by "the COWI-study"³ and describes the phases of development and maturity of a Policy Area/Horizontal Action. The three phases (and two transition phases in between) are described in terms of barriers to/drivers of progress, performing capacity of its actors and actions to be taken in each of the phases.

Suggestions as to areas of monitoring and reflection of the progress, are subsequently structured phase-wise and given below. The Model is primarily addressed to Policy Area Coordinators, Horizontal Action Coordinators, PA/HA Steering Committees (and alike), and flagship leaders.

Phase 1: Setting Up the PA/HA: establishing the PA/HA Strategy and Monitoring Framework

The main prerequisite of successful performance of a Policy Area or Horizontal Action, is that it is properly set up in terms of having

- a **Strategic framework** for its impact and operation, that sets *the agenda (purpose/objectives and value added)* over the coming years, and describes *the general impact logic* (working formats), as well as
- a corresponding **Monitoring framework**, i.e. a management system to enable involved parties to monitor what is important and make adequate choices and decisions, on the operational level (e.g. flagships, networks) and on the PA/HA strategic level.

The Monitoring framework has three objectives⁴:

1. To signal the ambitions of the PA/HA strategy and Action plan to all PA/HA-stakeholders

- to ensure that the right roles and priorities are set, and confirm commitment of the Member States as well as the individuals and their institutions involved

² PA/HA Development Model is briefly presented in Appendix A

³ Study on Macro-Regional Strategies and their links with Cohesion Policy, 2017

⁴ Inspired by PA INNO Strategy Guide/Impact Logic and Monitoring Framework, commissioned by the Nordic Council of Ministers, 2016

- to provide a clear direction for the PA/HA- operation formats (e.g. flagships, networks)
- 2. **To provide a framework to track progress of the PA/HA on both levels (strategic and operational)** - to ensure doing the right things and doing them in the right way
 - to highlight existing and possible barriers to progress, as well as possibilities/opportunities, for the given thematic priorities
 - to track dynamics in the areas of attention pertaining management of the PA/HA and its strategic relevance in a broader context (the EUSBSR and the macro-region as such).
- 3. **To enable more efficient and effective communication**
 - to enable smooth and transparent reporting to the Commission, Members States and other stakeholders
 - to enable clarity and more effectively promote the work of the PA/HA and its flagships and other formats.

PA/HA Monitoring framework: Targets and Indicators

In Phase 1, the PAC/HAC's attention should be largely given to the strategic landscape of the area, and concern given to issues of *strategic conversations within the internal stakeholder community*, about

- A) **Impact and Added value** of the PA/HA - in the larger system of the EUSBSR and the Baltic Sea region as such, and
- B) **Governance and Management of the PA/HA**, to ensure long-term/strategic guidance and operating capacity of the PA/HA

When designing a M&E-system for a PA/HA, and considering between *quantitative* and *qualitative indicators*, a PAC/HAC faces the fact that almost all of their work is 'intangible and unmeasurable' in conventional terms. This is a first draft of emerging **M&E Guidelines** that attempts to capture the scope and character of the work performed by PACs and HACs.

While we acknowledge the skills needed for setting and managing quantitative targets and indicators (applied for projects and project-like elements of flagships), we try to focus on assisting you in developing *less tangible / qualitative targets and indicators* needed for **strategic assessment** of a Policy Area or a Horizontal Action.

To complement this foundational set of areas, targets and indicators, further guidance can be developed for monitoring and evaluation of *flagships as developmental processes*.

The COWI-study (mentioned above) took stock of the EUSBSR's achievement so far, and distinguishes between two types of 'achievements': *content* (thematic) and *process* (pertaining to cooperation and coordination). You might want to consider this distinction when designing the monitoring framework for your Policy Area / Horizontal Action.

EUSBSR Content achievements within the EUSBSR (thematic progress)

- Increase in policy dialogue (leads to increased capacity of policy-level actors to operate transnationally)
- Increase in mobilisation of finance for projects and activities
- Projects and generation of ideas (leads to capacity for joint activity development, using the EUSBSR as the strategic cooperation framework)
- Increased cooperation on major issues in the macro-region (even emerging, e.g. integration of the newly arrived)
- Implementation of EU policy (where EU policy frameworks exist)

EUSBSR Process achievements within the EUSBSR (cooperation & coordination)

- Bringing together new actors across sectors, across countries (e.g. in flagships, platforms, institutions' strategies...)
- Bringing together actors across levels (national/regional) and type (public/private); supporting multi-level governance (MLG) – although involvement of private sector is still insufficient
- Increased cooperation with relevant EU Commission Services
- Increased cooperation with third countries

Possible inputs for designing PA/HA Monitoring framework

The table below describes Activities that should take place in Phase 1, long with possible Deliveries/Outputs thereof, as well as Indicators one might consider and elaborate on (qualitative and quantitative).

Stakeholders/Participants PHASE I	Activities in PHASE I	Possible Delivery/Output of PHASE I	Possible indicators (quantitative and qualitative)
Internal (to PA/HA): <ul style="list-style-type: none"> ○ PAC/HAC ○ PA/HA Steering Group ○ Flagship leaders (where available) 	Setting up the PA/HA governance structure: <ul style="list-style-type: none"> ○ putting together Steering Group (SG) ○ clarifying roles, functions, establish routines for meetings, coordination, decision-making procedures 	Multi-stakeholder Steering Group is ready; Roles, accountability and procedures clear to everyone ⁵	Yes/No MLG-principle in SG composition Documented roles, responsibility and procedures SG members and their institutions are committed to the PA/HA work to come
	Assessing the PA/HA Operating environment⁶ and its implications for the PA/HA >> helps to identify the PA/HA's <i>value added</i> for the macro-region and the EUSBSR, to be used for working out the PA/HA Action Plan.	Operating environment report: Barriers, Drivers, Implications, possible Value added	Thematic workshop(s) "Operating environment" Number of stakeholders involved and present at the workshop(s)

⁵ Brief description of typical Roles and responsibilities of the interna PA/HA stakeholders, **Appendix B**

⁶ **Operating environment** is a set of prerequisites, factors, features and other realities some of which are beneficial for the PA/HA's development ("drivers") and others challenging and even hindering its development ("barriers"). Some "drivers" and "barriers" are more internal (having to do with the *internal* PA/HA setup or the EUSBSR internal environment), others have *external* origin (outside the PA/HA/EUSBSR) and have broader impact

	<p>Strategizing and designing/re-designing the PA/HA Action Plan (based on Objectives/Sub-Objectives of the EUSBSR)</p>	<p>Thematic and strategic relevance and value added of the PA/HA⁷</p> <p>PA/HA Action Plan is developed on the strategic level</p>	<p>Analysis of relevance for the region and the EUSBSR</p> <p>Value added is formulated in a mission statement and explanatory documents⁸</p> <p>PA/HA Objectives and Sub-Objectives are relevant and coherent to the EUSBSR Objectives/Sub-Objectives</p>
	<p>Considerations of possible PA/HA Modus Operandi, e.g. flagships, chains of projects, thematic networks</p>	<p>Ideas for flagships, projects/chains, networks (with justification of the choice)</p>	<p>Co-creative PA/HA meetings for idea generation</p> <p>Number of ideas</p>
	<p>Formalising a framework for monitoring and evaluation: aligning strategic perspective with operational, on the level of targets and indicators</p>	<p>All the internal PA/HA stakeholders are well aware of how the PA/HA is to be evaluated.</p> <p>Conscious choice and design of activities that lead to desired results and impact.</p>	<p>Formalised Monitoring Framework in place (some useful examples of indicators – in Appendix C)</p>

Apart from these strategic areas of attention, the Policy Area / Horizontal Action – in all Phases – should have conversations about **Funding** and **Communication** (external and internal).

⁷ **“Thematic”** refers to the key issues/objectives that are macro-regionally relevant in a foreseeable time perspective. **“Strategic”** refers to the underlying strategic criteria such as ‘cross-territorial’, ‘cross-sectoral’, ‘cross-governance level’

⁸ Explanatory documents can elaborate on the different aspects of ‘value added’, provide examples etc.. (some examples are provided in **Appendix C**)

Funding

Here are some **inputs for exploring available and potentially available funding**, in connection to monitoring and evaluation of this area

	What can be measured/monitored/evaluated?	Possible indicators
Working with funding	Funding – Activity match	Availability of funding for conventional and less conventional/innovative working formats/activities
	Flexibility of funding used	Variety (or lack of variety) of funding sources available to various-level actors What types of actors do not have a 'natural' source of funding and thus risk to be excluded from multi-level cooperation?
	Level of awareness of available funding with the stakeholders and implementing actors	Availability of PA/HA-related "database"/"catalogues" of thematic and cross-border funding possibilities, to stakeholders and partners
	Level of interaction with the funding community	Participation in thematic/geographical Managing Authorities networks

Communication

Strategic approach to communication implies that communication is viewed as **systemically important**, one of the core element of the EUSBSR as a multi-agent system. It binds the elements of **the internal environment** (e.g. the coordination levels, intra-PA spaces, cross-PA/HA formats) and connects the MRS with **its external environment** (such as different policy levels, EU Commission, media, society at large).

Policy Areas and Horizontal Actions (and especially, their Steering Groups) should allocate time for reflecting on the communication needs, targets groups, messages and channels to be employed. A corresponding section on monitoring and evaluation of the PA/HA communication should complement the discussions and inform a number of communication activities. **Appendix E** generally describes the domain of Strategic communication as referring to the level of a Macro-Regional Strategy. PA/HA might find it useful in their work.

Phase 1A: Mobilisation of external stakeholders

Once the Policy Area / Horizontal Action is set in terms of strategic framework and monitoring/evaluation framework, the internal stakeholders can start "operations" – build flagships and other high-impact delivery formats. This will mark that the PA/ HA is about to leave Phase 1⁹. It is in **Phase 2** that the Strategy starts to perform, and external outcomes and results become visible. It also becomes easier to design, monitor and evaluate initiatives.

Operations in Phase 2 can be likened to a **production factory**, that is why it is crucial to spend time in Phase 1 for discussing the **PA/HA Modus Operandi (MO)**¹⁰ – preferred formats that create envisaged impact with certain given inputs (often time and money of the stakeholders involved).

Building high-impact processes implies broadening the circle of stakeholders – this transition into Phase 2, can be called "**Mobilisation**". Essentially, PACs/HACs **mobilise resources** for flagships and other activities, by engaging external organisations that represent various levels of governance as well as thematic actors in the region (that might include civil society organisations, business organisations, educational institutions, even financial institutions).

Stakeholder engagement is an area of attention, as well as *a capability*, that Policy Areas and Horizontal Actions should continuously develop in order to perform external results. This capability should go hand in hand with *the capability to design flagships* or other impact-driven processes. To draw further on our metaphor of a factory, **stakeholder engagement supplies fuel and manpower** to our "production". On the other hand, if we have established "production processes" (i.e. flagships, processes, thematic working groups, networks) we find it much easier **to welcome and channel new actors/initiatives** that approach us because they want to be a part of important thematic work coordinated within the PA/HA.

The transitional Mobilisation-phase creates prerequisites for smooth operation of the PA/HA in Phase 2 "Operations". In Phase 2, each PA/HA has Flagships (or similar processes) that ensure continuity, productivity and efficiency of the PA/HA performance. Now that the operational responsibility is transferred to Flagship Leaders, the attention of the PAC/HAC can go to ensuring the coherence and integration of the Policy Area/Horizontal Action as such – **through aligning results and outcomes of the flagships and articulating the overall impact of the PA/HA**.

This work enables the PAC/HAC to create a full picture and communicate the value created to both the external and internal stakeholders. The PA/HA visibly performs.

⁹ Although the PA / HA might (and probably will) have to re-visit Phase 1, from time to time – and especially when changes occur in its environment (either of staff-related character, or due to some other – external – factors) - to make sure the set-up is still relevant or has to adjust to the new circumstances

¹⁰ A brief description of MO that are visible in the EUSBSR, is given in Appendix D

Appendix A

Policy Area / Horizontal Action Development Model

Phase 1: Setting Up the Policy Area / Horizontal Action

Actions and Capacity

Policy Areas / Horizontal Actions are being formed – through interaction of **internal implementing actors/stakeholders**. They meet regularly, formulate joint statements, make sense of the Action Plan / Objectives, discuss Targets & Indicators, establish first routines, clarify roles and responsibilities, brainstorm and, possible, agree of main formats to be employed (e.g. flagships).

Capacity effects in Phase 1 mainly concern individuals and translate – **via the individuals – to the institutions**. PAC/HAS's home institutions are being set up for the task (structures and management).

Effects

Almost **no visible effects** beyond this group of individuals (and definitely **no external performance effects** on the thematic/content progress, e.g on “water quality”)

Phase 1A: Scouting and Mobilisation (MLG)

Actions and Effects

Once the structures are set and plans made, the PA/HA goes into Phase 1A (intermediary phase) with the purpose of exploring the operation environment and a possible action field:

- analysing its prerequisites (e.g. “greenfield” or “brownfield”-effects, barriers and possible drivers)
- scouting for thematic issues (existing and emerging) that could be objects of attention for the PA/HA

- exploring possible value-added aspects and effects of Multi-Level Governance (MLG) on the PA/HA

Effects are still largely individual-based ('leaders') – early awareness of the PA/HA existence and intentions (and increasing awareness of the EUSBSR as a strategic framework, too). Ideally, PAC/HAC's home institution starts to engage externally.

Possible actions: Participation days, active networking; internal discussions continue.

Horizontal Actions have developed their plan of activities and start to engage in activities carried out by Policy Areas, in order to fine-tune their ideas and do reality-check with PACs.

Phase 2: Starting to Operate

Capacity and Effects

Based on Phase 1A (Scouting and Mobilisation), there is a **shift from the internal players** (implementing stakeholders) **to external players** (external stakeholders and target groups, in MLG-perspective).

Capacity effects shift from being individual-oriented to **institution-oriented**:

- *Internally*, PAC/HAC's home institutions are fully set up for the task (structures and management, PAH/HAS-task is fully embedded).
- *External stakeholders* understand how the EUSBSR operates and how they can make use of incentives and opportunities provided. E.g. they realise that the EUSBSR does not have funding of its own, they should be prepared to participate in /contribute to alignment of funding and work in partnerships to increase their chances for funding from other sources.

As a result, the stakeholders **develop capacity on how to use MRS**.

First **"internal results"** of the PA/HA emerge (e.g. the pool of stakeholders widens, their readiness to contribute increased) - however, it is little change (or probably **no change**) can be detected at the level of the performance of the external stakeholders in the region.

Policy Area / Horizontal Action activities in Phase 2

Actions and Capacity

As a result of Phase 1A, the PA activities are now based on a **wider base of stakeholders**/target groups (in MLG-perspective) and focus on **selected thematic issues with clear macro-regional value** added (base for flagships).

The Policy Area is a home for a number of thematic flagships, platforms etc – i.e. developmental processes that have a purpose of **policy development** and **policy implementation / enactment** within the chosen theme. Each flagship has a *flagship leader* (ideally, a sustainable institution well-positioned in the theme in question).

In all flagships, coherence with the PA Action Plan is ensured **at the level of targets and indicators**. **Monitoring and evaluation happens at the flagship level** (aggregated, if applicable, from the project level, the projects being elements of the flagship). Monitoring and evaluation happens also at *the PA-level*, against the targets&indicators (quantitative and qualitative) set in Phase 1.

The Policy Area Coordinator hold **regular meetings with flagship leaders**, individually and in group, thus facilitating **cross-flagship learning**. This space is the PAC's arena for practicing leadership and executive capability – the PAC is to make sure all flagships keep the course, continuously learn and adapt, and deliver relevant outcomes in the form of *policy generation* and *policy enactment* (action on the ground). PAC can arrange **capacity development initiatives** for the flagship leaders and other stakeholders where needed.

Horizontal Actions are implementing their activities that are integrated with activities of Policy Areas, either at the PA (strategic) level or at the flagship-level (operational).

Results and Effects

Flagships are the main operation/implementation units of the EUSBSR. **Flagships' performance** determines **visibility and effectiveness** of the Policy Area. The **degree of integration of the flagships** and coherence with the relevant Objective of the PA Action Plan is another indicator of PA-success.

When flagships perform, the **PA performs** – externally observable effects are **consistent** and **transparent**, they are easy to monitor and evaluate externally.

Internally, the effects are **productivity** and **efficiency** of the PAC as individual and the PAC's home institution. The Policy area is no longer dependent on the PAC-person, this role is fully internalised in the institution: there is a succession plan, and recruitment is done consciously, according to the established capability criteria, with regards taken to the Phase of the PA development.

Possible Phase 2A: Cross-PA / HA field

Provided the PA is steadily operating in Phase 2, additional opportunities could be explored in the cross-PA/HA field: e.g. joint flagship “Cluster Leader Learning” of PA Education and PA Innovation.

Phase 3: PA Maturity and EUSBSR performance

Capacity and Impact

PA performance in Phase 3 shows stable efficiency, it is delivered by **mature Policy Areas and Horizontal Actions**, with full engagement of **the internal implementing actors AND external stakeholders** in the macro-regional scale. In a way, it is a bridge to (and maybe a precondition of) performance of the macro-region as such (the BSR).

All involved stakeholders have developed **the capacity of implementing MRS** relevant actions as contribution to the bigger picture, i.e. integration and development of the region. Results and effects of implementation become visible in terms of indicators such as income, inclusion, accessibility and environmental quality. These **macro-indicators** (often used for monitoring and decision-making) only show up at this late phase and should not be sought earlier.

It is only in Phase III, that the “impacts” of the MRS become clear. Usually, the impacts are those that are interesting to policy makers, media and the public. Lack of progress on the relevant metrics is considered a failure. It is **essential to recognise** that change at this level only comes late in the process.

Another obvious result is that the **ESIF funding is fully aligned with the EUSBSR** – not only thematically/strategically but also operationally/tactically. The EU funding system has expanded from project funding to **funding processes** that ensure learning, coordination and cooperation between all stakeholders of the macro-region, along the lines of policy work and policy enactment.

The management perspective of the funding authorities, at all levels – from leaders of Managing Authorities to line supervisors of MRS-initiated projects, has **shifted from solely national to macro-regional value that the EUSBSR** comes with. Provisions are made, and assistance is available to Policy Area Coordinators/Horizontal Action Leaders when they pursue alignment of funding.

Actions in Phase 3

Policy Area Coordinators and Horizontal Action Leaders initiate and participate in **structured cross-PA/HA processes** ensuring cohesion at the EUSBSR level (mixed-level working groups, networks, ad-hoc initiatives). **Joint flagships** are standard practice rather than experiments.

In this Phase, all Horizontal Actions are enacted across the EUSBSR. **Monitoring and evaluation activities** are running.

Major implementing stakeholders (PACs, HACs, NCs, MAs) carry out **continuous dialogues** aiming at fine-tuning alignment between political, strategical, operational and financial perspectives. **MA networks** are operative and work for dynamic alignment with the changing needs of the EUSBSR.

PACs /HACs have possibilities of regular consultations with the European Commission. They are interested in **larger context – beyond the EUSBSR**, e.g. participate in staff-exchange between the four MRSs.

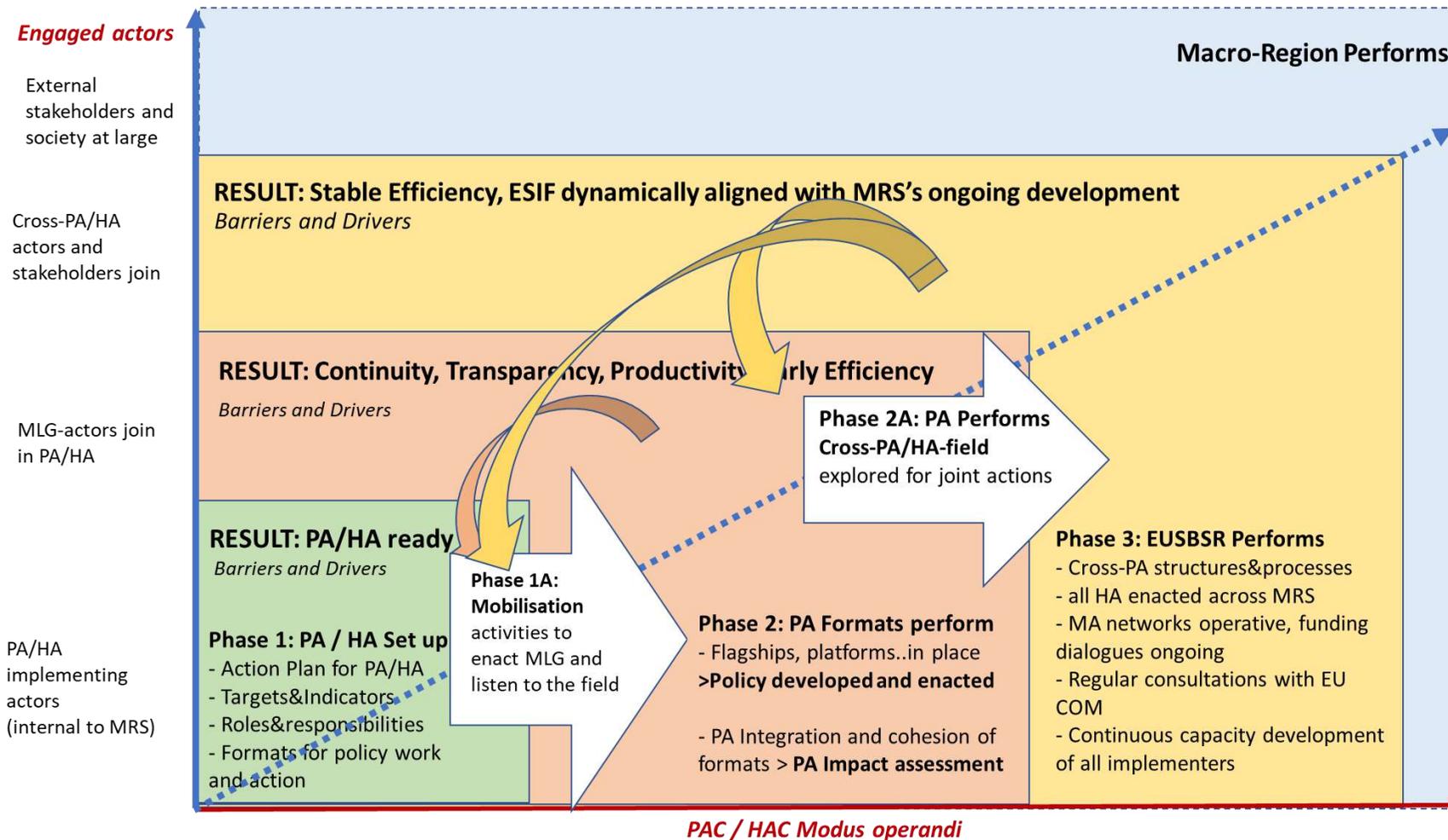
PACs/HACs and other implementing stakeholder regularly participate in **capacity development initiatives**.

General comment on the Phase Model

These phases are of course not absolute but should assist orientation into the scope of activities and results and effects sought. Development is not linear; as time passes and global, unforeseen challenges emerge, the MRS may need to redefine their priorities – and this is true for Policy Areas and Horizontal Actions, too.

Hence, an MRS or a PA can move from Phase 3 back to Phase 2 or even back to Phase 1 as thematic priorities, institutions and individuals change. Within the MRS and within one and the same PA, there can be little homogeneity: some thematic areas might already be in Phase 3 while others oscillate between Phase 2 and Phase 2 for a long time due to the existing barriers or lack of drivers.

PA / HA Development Model¹¹



¹¹ Adapted for PA/HA in the EUSBSR from COWI-report of the Study on Macro-Regional Strategies and their links with Cohesion Policy, 2017

Appendix B

Phase 1: Roles and functions within the PA/HA

Three main types of actors constitute the internal operational resources of a PA/HA, and it is how committed, capable and coordinated their collaboration is that determines the managing capacity of the PA/HA and its performance and impact. The generic description of the functions could be as follows:

<p>PA Coordinators / HA Coordinators</p>	<p>Responsible for the execution of the Action plan: through supporting flagship leaders, aggregating the impact of the flagships, analyse and communicate progress or lack thereof.</p> <p>Drive the development of the PA/HA as such, by mobilizing external actors (with MLG as the guiding principle), link them to existing processes/flagships, initiate new formalts/flagships.</p> <p>Keep a broader EUSBSR perspective by interacting with other PAs/HAs, other actors (including Managing Authorities), seeking synergy and broader impact.</p>
<p>PA/HA Steering Committee</p>	<p>Form a strategic intent of the PA/HA and revise the Action Plan, secure the PA/HA operating environment, adjust priorities/targets, monitor resource use. Ensure ongoing strategic reflection pertaining the PA/HA's value added and contribution to the EUSBSR and the macro-region as such.</p> <p>Secure Member States' commitment and support to macro-regional work. Analyse external political environments and feed into the PA/HA operations.</p> <p>Support the PAC/HAC in his/her management and leadership inside and outside the PA/HA, particularly in interacting with Managing Authorities of EU funding programmes.</p>
<p>Flagship leaders</p>	<p>Execute the flagships, provide data/information on their flagships' contribution to the overall ambitions of the PA/HA</p>

The extended group of internal actors includes also **Policy Area Focal Points**, i.e. national, thematically relevant agencies which are to support the PA/HA in terms of thematic competence and in channeling contacts and information to their respective national level.

Appendix C

Some useful formulations of qualitative indicators to be employed in Phase 1

Area of attention of internal stakeholders	What can be 'measured'	Possible indicators
Impact and Added value of the PA/HA	Thematic and strategic relevance of the PA/HA	Level of relevance of the PA/HA Objectives/sub-objectives Number of multi-stakeholder policy dialogues, delivered policy recommendations, implemented policies...
	Formulating the PA/HA value added in the context of territorial cooperation	Some action-related indicators could be formulated as follows: <i>-PA/HA brings in new, previously nor engaged, actors (such as business organisations) in cross-sectoral and cross-country policy development processes</i> <i>-PA facilitates access to funding of cross-border collaboration projects</i> <i>-Involvement in the PA/HA brings legitimacy to the actors' work and increases recognition of the key issues, needs and challenges</i> <i>-Involvement in the PA facilitates synergies between policies, helps to understand the bigger policy picture in the sphere</i> <i>-PA contributes to new, bottom-up, co-created policy development practice.</i>

	Level of cooperation within the PA/HA	Levels of governance (listed) involved in activities, e.g. flagships, project chains, policy dialogues Number of MLG-based flagships
	Progress of the macro-region as such	Impact of flagships and PA/HA as such, is reflected on, put in the larger territorial context and presented e.g. in territorial conferences, made available to territorial evaluations...
Governance and management of the PA/HA	Quality of the Steering group (SG): level of engagement and impact	Level of engagement, e.g. - participation in meetings - degree of preparedness for meetings - degree of the Member states' commitment to the macro-regional work through SG member's work Impact of the SG on the PA/HA progress (as different from the impact of the PAC/HAC); e.g. -number of initiatives proposed by the SG
	PAC/HAC's home institution's support	The macro-regional PAC/HAC-work is perceived to be in line with the organisation's own activity, and the value-added is clear The PAC/HAC's management is perfectly aware of the nature of, and positive to the employee's task and role of PAC/HAC – i.e. working time allocated and not questioned PAC/HAC enjoys office-support available to 'ordinary' employees Management actively participates in PA/HA-related macro-regional meetings

		Management assumes responsibility for internal communication of the macro-regional work, throughout the organisation
	Quality and efficiency of PA/HA working formats, in relation to impact envisaged and resources employed	Coherence between PA/HA Objectives, the Actions and the activities (e.g. using the logframe) Available working formats (flagships, projects, project chains, platforms...) and conducted impact analysis/reflection
	PAC/HAC own management and coordination work	Purposeful selection of flagship leaders (criteria, practice) Flagship leader education within the PA/HA Flagship design co-creative workshops (with or without HA Capacity) Work with inter-flagship learning and synergies (forms, processes)
	External and internal facilitation support available for PA/HA-work	Availability of professional facilitators/process leaders, consultants, coaches etc, for multi-party, multi-stakeholder meetings, coc-reative policy discussions, action research etc PAC/HAC advancing their own management and leadership skills (i.e. participation in capacity programmes, skill training etc)
	Broader stakeholder community around the PA/HA (beyond flagships as such)	Relevance and complementarity of actors (in MLG-perspective) Participation of funding partners/potential financiers

Appendix D

Modus Operandi (MO) within the EUSBSR

Modus operandi (MO- *lat. 'way of operating'*) - a particular way or method of doing something - describes an actor's preferred means of executing their work and interacting with other actors.

When describing a particular MO it is helpful to reflect on

- What larger purpose does this method support?
- What does it consist of, how is it organised?
- What are its expected outcomes and effects (and what not)?
- How is it (can be) financed?

When designing a modus operandi (or more than one modi) to be employed within a Policy Area or a Horizontal Action, one should refer to **the strategic paradigm set up in Phase 1** – to the mission/purpose and the value added of the Policy Area/Horizontal Action, against the overall Objectives and Sub-objectives of the EUSBSR. A Modus Operandi should support those by delivering desired outcomes. In a way, the chosen MO becomes a "factory" that produce desired outcomes.

The EUSBSR seems to employ four different modi operandi at present. In practice, all of them can be used depending on the specific context. However, careful consideration should be given to analysing the pros and cons of each one, in the face of the impact envisaged and the resources available in time.

1. "Project" (of varying scope and scale)

The strategy assumes that the **desired strategic outcomes** (often defined in the Action Plan through Objectives/Sub-Objectives), as well as **the macro-regional value added** (against other development measures) are created *through projects*. Projects of larger scope or broader scale can be given priority, i.e. labeled as "flagship project/strategic project" by a group of implementing stakeholders. It is assumed that this status will ease the projects' way to funding and/or increase their visibility in relevant circles.

Considering the qualities of this MO (*projects are relatively short-term, pre-defined action packages, carried out by specific partnership of actors, with a purpose of achieving pre-defined results*) – one might conclude that projects are too weak a lever, to be considered the only MO for achieving strategic

success. More often than not, projects do not pursue policy impact as such – so other ways of policy development should be employed. To counteract this weakness, EU Programmes take initiatives of creating *project platforms* – which allow to integrate the outcomes of various projects for a larger policy impact (e.g. Interact Europe’s project platform). With similar effect in mind, some MRS implementing actors choose to create *Project chains*.

2. Project chains

Realising the natural limitations of projects as a MO, many Policy Areas try to design **chains of thematic projects**, where the output of the previous one informs the input of the follow-up one.

This design creates a natural flow of meaningful project activities, that allows the project promoters to **explore different aspects/perspectives of the theme in question** (e.g. check the developed method/concept in *different geographies, against local prerequisites*). It could also allow for expanding or changing partnerships in order to *involve new types of stakeholders* (e.g. engage educational institutions that might want to develop a professional vocation programme based on the original method/concept), or involve *new governance levels* (e.g. for establishing prerequisites for this emerging profession to be employable).

Naturally, such a chain has significantly larger impact – including the one on the policy level. Speaking of its potential inefficiencies – such a chain takes longer time to reach its full potential. In the meantime, some of the earlier actors might disappear, and their personal/institutional learning might not be used as a resource.

3. Membership networks

Some projects, and even project chains, searching for sustainability create some type of thematic networks of relevant actors that commit to “keeping the theme alive”, i.e. keeping and often, further developing awareness of the topic – among the members and outside the member community.

Keeping awareness of important topics is very helpful – the network members can find each other for joint projects, or simply get up-to-date thematic information they might need in their everyday work. However, a membership network as such can hardly be an efficient MO for a Macro-Regional Strategy as they **lack a strategic intention and result-orientation, being it a policy-related result or an action-related result**. In fact, for a membership network to generate result, it has to be activated by some purposeful initiative.

4. Flagships (not to be confused with "flagship projects")

Born in the EUSBSR, "**Flagships**" as a Modus Operandi should not be confused with earlier employed 'flagship projects' (subject to 'labeling', see Projects). Whereas the name itself might be debatable and a better name might emerge, the essence of Flagship is by now well-defined in the Strategy.

A Flagship is a jointly established (by a group of stakeholders) **development process that aims to create a desirable (policy) impact and achieve thematic objectives and targets of the Strategy** (either within a single Policy Area/Horizontal Action, or within a cross-PA/HA space).

A Flagship is a **strategic action born to respond to a macro-regional challenge for which it gathers relevant stakeholders** in the MLG-perspective.

Similar to transnational projects, Flagships should follow the principles of

- macro-regional relevance (the challenge/issue chosen, its origin or/and effect is larger than nation-wide)
- transnationality (preferably, all the Strategy's member states should be involved, at some point in time)
- complementarity (flagships look for as many diverse perspectives on the challenge/issue chosen).

The most significant difference from Project is that Flagship, having explored the challenge/issue, visualizes the desired state *in terms of policy impact* (not pre-defined project result). The desired impact *sets the intention* with the flagship, and the next question to ask is "Who should be on board, to make the desired change possible?" – answering this question helps to *find and engage stakeholders from all levels* that apply, including the grass root level when it brings clear value.

In practice, Flagships operate through

- (a) **interlinked formats for learning and policy development** (e.g. thematic working groups, platforms, networks...), and
- (b) **operations that enact policy** and feeds back into the system (projects, events, ...).

In each of the Policy Areas (of the EUSBSR) there might be 1-6 flagships, each led by a Flagship Leader. The flagships' objectives are coherent with the Action Plan, while their formats, stakeholder sets and concrete activities are flexible enough to allow for emergent issues when they surface.

Flagships become a 'home' for funding from different sources and levels. When Flagship as a format is fully acknowledged by the EU funding system, it should be able to show its full potential for alignment of funding.

Flagship as a MO seems to be the most strategic of the formats in use. It does take some time to understand its full potential and learn to design and manage them. Policy Areas (in the EUSBSR) which are built on Flagships, become exceedingly more productive and produce a significantly large impact than projects and even project chains. Besides, its management and leadership becomes 'distributed' between the PAC/HAC and the Flagship Leaders.

Appendix E

Strategic communication in a Macro-Regional Strategy

Strategic approach to communication implies that communication is viewed as **systemically important**, one of the core element of the MRS-system. It binds the elements of **the internal environment** (e.g. the coordination levels, intra-PA spaces, cross-PA/HA formats) and connects the MRS with **its external environment** (such as different policy levels, EU Commission, media, society at large).

Viewed strategically, Communication should encompass

- the MRS's overall mission / intention and purpose, its core values and spirit,
- guidance to individuals and institutions charged with implementation, in their motivation, attitudes and choices,
- building internal streams of information, needed for coordinating the roles, processes, sub-systems – while ensuring their coherence with the overall mission and purpose,
- processes, channels and tools to connect the MRS to its external environment, considering the diversity of 'receivers' and their purposes and needs,

The staff charged with formal responsibility for communication within an MRS, should view their role in this systemic perspective and work with the premise of giving attention to all the above mentioned elements of the system.

Following elements of the communication system are important to ensure and build capacity around:

- i. Strategic Narrative and Sensemaking
- ii. Stories and Channels
- iii. Communication interfaces between the implementing actors
- iv. Inter-MRS communication interface.

1. Strategic Narrative and Sensemaking

The main "story" that reflects the Strategy's mission/intention and purpose, powered by certain values and spirit, creates a powerful narrative that engages people's hearts and minds, empowers them to act for the benefit of the macro-region, and contribute with their time, competence, skills or moral support ('loyalty / feeling of belonging').

Any narrative arises from how people “make sense” of their experience – how they perceive the world and their place in it. **Sensemaking** is the process by which *people give meaning* to their collective experiences. People need to make sense of the world in order to act in it. Sensemaking work (and capacity to lead people through this work) needs to precede the planning of the strategic communication work.

Some elements of Sensemaking that seems to have emerged around the MRS, are that macro-regional strategies

... are frameworks addressing **shared challenges that no country can solve alone**

... elaborate and deliver **more targeted solutions** to address common challenges

... work **both on the level of policy and that of action on the ground**

... **bring people together** for collaboration

... **implement transnational joint development processes** where projects can be a part

Some of these elements put together, brought about an idea of the macro-regional strategies being “**laboratories for a new European collaboration**” (gaining momentum in the EUSBSR) which was powered by **the principle of multi-level governance**.

Throughout the history of the EUSBSR, the oldest of the four, the main narrative seems to have shifted at least twice, on the way from the original “**coordinating of existing policy field in the name of bringing efficiency to cohesion work**” to how it is perceived by many implementing actors today.

Changes in the main narrative bring about change in how implementors perceive their roles and responsibilities, and the work formats they choose to employ – in the case of the EUSBSR, **flagships** (as opposed to labling projects with ‘the flagship status’) are gaining momentum as more suitable operational formats.

The value-picture has shifted, too – from “**compliance, and coordination between national institutions**” to “**citizen involvement, and peer-based, multi-level co-creation and collaboration for policy and action**”. The EUSBSR is on the way – from civil servants’ offices to co-created spaces for policy development (e.g. thematic working groups for/with vulnerable societal groups, en element of flagship).

The new formats (e.g. flagships) are built in ways that makes **communication of all outcomes natural and direct** – through various stakeholders that collaborate in flagships for creating these results. The different policy levels get addressed directly, actions get implemented sooner, and feedback from those inform further co-creation. Few extra communication channels need to be ‘invented’ if people choose to work in such formats.

Each macro-regional strategy should consciously engage in sensemaking work as only then can it come up with a narrative of a systemic character, that can be "translated into" different stories that bring the main message to the diverse audience, in their natural "language". Such stories will engage and empower, inform people in their decision-making and help them not to lose sight of the purpose as well as take their own contribution in the light of the common good.

The main messages as well as the content of communication - and **particularly, MRS's value added** (not least to external audiences), should be informed by **the awareness of the developmental stage** the Strategy in question is in¹². MRSs perform differently and deliver different types of results, in various phases – and should be communicated accordingly. The likely results in Phase 1 (Set up phase) have to do with development of collaboration frameworks and structures, as well as with development of operational capacity of the implementers. This should be communicated as "setting up for success". In contrast, in Phase II (Operating phase), when working formats start to perform also thematically, and real improvements of cross-level, cross-sectoral and cross-territorial cooperation if a fact, communication contents (and target audiences) can be broadened. In Phase III (Maturity phase), we witness better sustainability of important initiatives, involvement of investors and international financing institutions, and increased effectiveness and efficiency of funding and public action – this should create a proper context and content of strategic communication.

It goes without saying that the MRSs operate in **very different contexts** (cultural, institutional and cooperation tradition); neither are the macro-regions **homogeneous**. This, too, should be considered when designing a strategic communication system for a particular MRS.

2. Stories and Channels

Confidence in the main narrative (mission/intention, purpose, values and spirit) allows to "translate" it into the different "user languages" without losing the essence ("one idea - many faces"). The operational level of a Strategy seems to be optimal for successful communication work as it is there where representatives of numerous levels meet for collaboration. In the EUSBSR, it is the level of Policy Areas and Horizontal Actions where flagships and other strategic processes take place.

Individual and collective stories become interesting – how participants describe their co-creation experiences (co-creating policy with other stakeholders can be a unique experience for an individual or an organisation previously not involved in policy creation), how they implement outcomes at their different

¹² "Study on macro-regional strategies and their links with cohesion policy" commissioned by EU DG Regio, delivered November 2017 (COWI)

levels, what they reflect on when thinking of Europe today – all this gives rich content to strategy communicators of all sorts. At this level, everyone communicates the Strategy- and they do it in their "language" and to audiences meaningful to them.

Citizen involvement itself (e.t. through participating NGOs) is a phenomenon worth communicating in connection with the Strategy. And it is at this level that the **real value added** of macro-regional work is obvious – even **thematic progress becomes visible**.

It is worth mentioning that communicating thematic progress and the real value added of this work, cannot be done by communicators alone – the prerequisite here is that the Policy Areas / Horizontal Areas are good at **monitoring and evaluating the activities and results** that take place (another reason to develop implementing actors' capacity for setting targets and indicators, described in "Modus Operandi").

Choice of communication channels and formats (e.g. newspaper articles, TV posts, TED talks) **follow the patters of engaged stakeholders** – which the operational actors can take into account when designing flagships, processes and other stakeholder-based initiatives.

At this stage, with availability of both thematic and operational/collaborational results, those become truly appealing to **political stakeholders**. MRS communicators of all levels should use every chance to reach politicians/policy makers at all levels (local, regional, national, EU) – with the purpose of strengthening political support to the Strategy as a means of tackling our common macro-regional challenges. Tailor-made stories, backed by objectively measured results, can become a powerful tool.

As a way to support this work, in the EUSBSR at the moment, development work is done around strengthening "**thematic policy making circles**" in each Member State, with the purpose of real *thematic policy alignment* between the macro-regional and the member-state-level. They connect flagships policy outcomes, Policy Area Focal Points in line ministires, and National Coordination body in each country and in each thematic area. Apart from the alignment effect, these collaborations create direct channels of communication to the line ministries and through them, to the politial level.

3. Intra-MRS communication: interface for the implementing actors

It is essential that the implementing actors within a Strategy, at any given point, are aware of the whole system and their own place in it. The action-complexity is growing every day, and a simple, intuitive intranet-like environment can help the implementers to track what is happening in other parts of the system and gives them ideas for intra-MRS collaboration with higher synergy potential.

In this environment, the participants can share their stories of success and failure, support one another, share practical experience, tools and methods, and even look for solutions to larger issues together, to initiate cross-PA/pillar initiatives. There are only few personal occasions where the implementors physically meet, and attention is seldom given to exploring opportunities for intra-MRS cooperation. Visualizing the system in such a way, is an important means of communication, internal and external. It also supports the peer-spirit and the values of collaboration, solidarity and maybe even pride for the work done.