



## The EUSAIR: delivering the macro-regional added value Implementation formats today and tomorrow

Issue paper

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*Disclaimer: This issue paper has been compiled by EUSAIR Facility Point Lead Partner external expert as a follow up to discussion on the lack of clear procedure for labelling (also for post labelling) which took place in February 2019. The content of this Issue Paper is the sole responsibility of the its author and can under no circumstances be regarded as reflecting the position of the European Union, EUSAIR Strategy, ADRION programme authorities or the EUSAIR Facility Point project.*

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## Executive summary

*“Systems Thinkers work from a central premise: If you don’t know how you’re producing certain outcomes, you’ll have great difficulty determining how to produce better outcomes.”*

*Daniel H. Kim in “Introduction to Systems Thinking”*

Five years into implementation, the Strategy’s stakeholders start to ask themselves a serious question: How is the Strategy performing, is the implementation efficient, are we doing a good job?<sup>1</sup>

Attempting to answer it leads us to even more serious questions: What is the Strategy’s “performance” as such? How does it relate to the macro-region’s overall performance where other frameworks and actors contribute, too? What do we bring to the table?

The question of the EUSAIR’s added value is coming to the forefront of the stakeholders’ discussions, in various places in the system, and answers vary depending on who you talk to. All of them are correct and none of them captures the whole volume of the value added that the Strategy can bring. An integrated and well-articulated **value proposition of the EUSAIR to the region** will enable the stakeholders to design responses of much higher value than those we have today guided by our own interpretations and the circumstances we operate in.

The exploration leading to this paper is based on a simple premise: the implementation formats we choose should be powerful enough to deliver on the EUSAIR value proposition, taking into account the three NOs and the consequences thereof. The author inquiries into two topics – the EUSAIR value proposition and the current response - and bases her analysis and reflections of the “**strategic fit**” between them, using systems theory’s frameworks. The empirical data has been collected through personal live interviews with the implementing stakeholders who represent the different levels and functions, i.e. National Coordinators, Pillar Coordinators, TSG members, as well as Thematic Experts and Facility Point’s officers. All and all, 22 interviews took place, the respondents representing the eight countries of the EUSAIR.

The primary focus for this paper is on **implementation formats** as such, although this topic is positioned in a larger, strategic context of the EUSAIR as a complex system. Thus, the author hopes that the reflections offered in the paper would engage the decision-makers of all the levels of the Strategy. The default format of today is *project* - and an extensive ‘implementation machine’ has been built to serve projects. It seems that *project as a format* has not been questioned until recently. At the same time other – more spacious and interactive – formats seem to be emerging within the Strategy, and we could look at their

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<sup>1</sup> Discussion at the Technical meeting of Pillar Coordinators and Governing Board, which took place in February 2019 and stressed out again the lack of clear procedure for labelling (also for post labelling) and the issue of (active) participation of the TSG members at the meetings led to decision on engaging the external expert in order to assist **shaping the strategic guidance for the Thematic Steering Groups**. It was agreed that the issue paper will be prepared in close cooperation with Pillar Coordinators and some TSG members.

strategic potential for delivering the EUSAIR value added. In the paper, we call such formats ‘**collaboratives**’ and claim that those can be used as the main implementing format or as a way to expand the eco-system of strategic macro-regional projects emerging in the EUSAIR today. The corresponding section of the paper offers descriptions and even instruction-like statements **operational** in character – those can be used as practical aid in building ‘collaboratives’.

Seeking formats *beyond projects* will unavoidably lead us to examining our own default thinking around how things get financed in today’s EU – through *targeted project applications* to existing operational programmes, often thematic. Designing formats *beyond projects* should go hand in hand with strategic dialogue with the EU funding institutions in the light of the EUSAIR’s value proposition to the macro-region. Only at the level of **political intent** the true alignment of funding becomes possible, while if we engage in projects alone, real alignment is practically impossible to achieve. The EUSAIR’s strategic alignment work is outlined in the Position Paper<sup>2</sup>, and the meeting between the ESIF/IPA Programme Authorities and the EUSAIR structures<sup>3</sup> marks the first tangible step in the direction of true alignment.

Designing and running formats *beyond projects* could potentially lead to that some present roles and interactions between the implementers might need to be reviewed. In particular, the **TSGs’ contribution** should be modified to play a more significant role in the implementation of the Strategy.

The author offers her reflection on **the managerial capacity** – individual and institutional - that such formats seem to require, and the support the current implementers might benefit from. This could potentially inform the future role of the Facility Point as a capacity building institution for the EUSAIR as a whole.

Once a good mix of implementation formats is found for each Pillar, and a proper monitoring and evaluation system is designed to connect the achievements to the EUSAIR value proposition – the Strategy can monitor its **efficiency and productivity**, strengthen its **sustainability** and, ultimately, **legitimacy** in the eyes of the citizens of the macro-region.

This paper is not intended to be an accurate account of the existing implementation reality – the Strategy is a living organism and practices emerge in many places in the system as we speak. Unfortunately, good practice often remains un-noticed and un-reflected upon, which hinders systemic learning and slows down the process. The author hopes that highlighting some of the good practice and pointing out the markers of ‘strategic potential’ of various formats, will inspire the stakeholders of the Strategy to seek new formats that would gear up the implementation.

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<sup>2</sup> Position Paper “Follow-up actions in response to the request from EUSAIR Ministers under Paragraph 6 of the Catania ministerial Declaration”, February 2019

<sup>3</sup> The meeting took place on October 17, 2019, in Portoroz, Slovenia, and had the aim to explore how the constant dialogue between the Programmes and the Strategy could *practically* contribute to solving common territorial challenges.

It is also intentional that the author tries to keep the informal style and language when discussing the content of the paper, rather than using a detached, expert-like style – to convey the spirit of the conversations that fed into it, that makes the matter feel ‘alive’ and meaningful to all the humans that are today engaged in the implementation of the Strategy.

A Nekrasova  
October 2019

## The EUSAIR value proposition to the Adriatic and Ionian macro-region

*“The EUSAIR is the only table that we share despite our structural and other differences. If we assume ownership of this table, we can learn from the past, capture the present and plan for the future together. For this, we need to realise that the region we live in is ‘one body’ whose parts are not all ‘in harmony’ and help it to heal and come to unity”.* This is the essence of the message we have gathered from the interviews, the one that clearly points both at the desired future and what needs to be done.

The region is bigger than the Strategy – so what is the value we bring to this diverse region? What will never happen if the Strategy fails to do its job?

Despite all the treasures that our countries have to offer, we have very little experience of real collaboration between our countries - where people meet in action in order to address their common concerns. We have no common arenas and no collaboration formats that would be spacious enough to include everyone who can contribute – with their knowledge and experience, innovative ideas and even their funds. To make it worse, often, the peoples of the region have low trust to own authorities, the EU and even each other – all of this calling for an initiative powerful enough to build up trust and ultimately, legitimacy of the macro-regional collaboration in the eyes of the citizens.

This is where the Strategy can fill the void – it can become **an arena for meaningful strategic conversations and trust-based agreements** and **a vehicle for turning these agreements into real-life collaboration** in the areas of our common concern or opportunity.

In what ways can we be useful to the region?

### **Policy**

The Strategy can explore cross-level and cross-sectoral policy fields and work courageously for removing political barriers to integration between the countries – the EUSAIR governance structure is fit for the task. This will ultimately allow us to align our thematic priorities and become a strategic conversation partner to the EU where the Partnership Agreement with one country would be formed with considerations taken to those with the neighbours. We will also be able to manage our national policies in the common areas and align them where possible, for achieving larger macro-regional impact.

### **Funding**

We will also strengthen the position of the EUSAIR in a strategic dialogue with the EU funding paradigm if we lay forward our investment plans in ways that integrate all perspectives – physical infrastructure, economic and social welfare, environmental health and democratic citizen engagement. This will embed the Strategy into the funding system as a whole, instead of one programme at a time, and maybe eventually even shift the EU funding system altogether. The other macro-regional strategies pursue this work, too. The four Strategies should unite their intention with regards to the embedment and speak in one voice to the extent possible without losing sight of the geographic specificities.

These two dimensions alone will manifold strengthen the foundational prerequisites for stakeholder collaboration across the region. But can we do more so that these prerequisites turn into real action-

on-the ground, that the policies get enacted and the actions inform new policy-making?

### **Stakeholder collaboration**

We are used to that policy gets enacted in projects that bring together certain types of stakeholders, - in the Operational Programmes' jargon called *beneficiaries*, 'the usual suspects', such as municipal bodies, regional organisations, education providers. Many other stakeholder groups, due to reasons of eligibility, functionality or financial constraints, never become active partners in projects – businesses, clusters, civil society organisations, small local communities, media organisations and even ministries and other public authorities. The Strategy, within the Pillars, can devise and host thematic 'environments' *beyond projects* where all motivated stakeholders meet in creative, multi-perspectival formats, and that results in both **action-on-the ground** (e.g. through projects, chains of projects, Masterplans and other initiatives) and **policy work** (both enactment of existing policies and co-creating of new ones informed by the stakeholder-based collaborative action-on-the-ground).

The EUSAIR Stakeholder platform is a good technical tool for various-level stakeholders to find and learn about one another, and the platform will certainly help some actors come together in new projects. We can take it one step further and, within our Pillars, create such larger '*environments for policy and action*' and invite all stakeholders, including their projects and other activities, that could contribute to finding systemic solutions to our complex macro-regional challenges. Once we have those challenge-based 'environments' in place we will have **a unique proposition** to the actors we meet in our communication initiatives, to come and co-create solutions together. More on such formats in section "Re-designing the implementation".

### **Integration of the Western Balkans**

Contributing to integration of the Western Balkan countries is a pronounced objective of the EUSAIR, and as a community we should let this intention thread through everything we do. Building institutional and collaboration capacity of the stakeholders in the IPA-countries should be put on the Strategy's agenda in a more purposeful way, and meaningful formats for that should be designed in the spirit of peer-learning and mutual support.

While achieving coherence in the institutional sense might take a while, collaboration does not have to wait if we choose formats *beyond projects* - as it is in projects that eligibility and financial constraints are often invincible obstacles. Thematic 'collaboratives' – environments for policy and action - do not have eligibility factor as such and can be designed to suit the existing financial circumstances of the parties involved. At their best, these flexible structures present a perfect opportunity to align funding available to actors at different levels for financing their own activities.

In a similar manner, one can work with policies that the different-level actors are engaged in anyway, by the nature of their mandate. Positioning several such creative 'collaboratives' in the least integrated places of the system would be developing the needed capacity in real time, and the accumulated effect could be expected to show up earlier than from formal training courses. Such 'collaboratives' might become a "by-pass" to the existing structural challenges between the EU- and IPA-countries, as they have the potential to offset certain incompatibility issues.

Integrating the ideas above, all originating from the interviews with the respondents firmly informed by the reality of implementation as it is today, the following value proposition of the EUSAIR to the Adriatic and Ionian Region seems to emerge:

In the Adriatic and Ionian region, the EUSAIR is **the trustful connection** between the political and administrative bodies, and the citizens who want to participate in building their own future. The EUSAIR's strategic role is to **strengthen the foundational prerequisites and remove structural barriers** for multi-stakeholder, cross-sector collaboration in the areas of common concern or opportunity. In **the quality of collaboration/participative approaches** lies its innovation potential.

This is how the EUSAIR plays this role:

- The EUSAIR becomes the arena **for strategic conversations** of the countries at all levels, with the intention of creating a future in which the collective best of the whole region creates better future for each country's development.
- These conversations result in **trust-based agreements** at all levels, in the chosen areas of concern or opportunity, where the macro-regional collaboration is crucial in both policy and action-on-the-ground.
- The Strategy actively engages **stakeholders at all levels and sectors of society** in such conversations – wherever those take place and whatever their scale – in this way promoting systemic analysis of these concerns or opportunities which leads to more sustainable solutions.
- Multi-level and multi-stakeholder agreements result in **thematic 'collaboratives' – environments for policy and action** – where the Strategy's Pillars, alone or in inter-Pillar space, uphold and facilitate the creative process that move the issue further in a purposeful and structured way and make sure policy and action go hand in hand.
- The EUSAIR deepens **strategic dialogue with the EU funding system** with the intention of fully embedding its priorities and working formats in all the operational programmes, thus strengthening the foundations for alignment of funding needed for long-term collaboration of the actors in the chosen areas of concern or opportunity.
- The EUSAIR facilitates **strategic dialogue with other existing policy frameworks, sectoral and general**, active in the region, with the intention of finding synergy and ways to offset some of the structural / eligibility issues that have negative impact on macro-regional collaboration.

By its original intent, the EUSAIR - like all the macro-regional strategies - is to be an innovation by itself. 'The three NOs should be taken as an invitation to be creative – and the principle of Macro-Level governance is a key to unleash this creativity. No good future in history has ever been built by experts and bureaucrats – but all futures have been shaped by how much or little people were engaged.



The Macro-regional strategies MRS are intended to be **smart, cost-efficient, innovative solutions** to European cohesion challenges, in time of lower trust to and weakened legitimacy of, European and national institutions.

Re-visiting our default views of the Strategy – its place and role, its resource and impact on Europe – almost inevitably leads to a shift in the mindset. If we base it on our national interest only, the EU might look rather like a cash machine and our task is to bring as much money as possible back to the country. If we admit that our common challenges are way more complex than how we frame them at home – humble attitude awakens, along with the natural desire to get together, learn from one another and bring our contributions into the common resource pool.

A Macro-Regional Strategy cannot be ‘administrated’ – it takes human leadership to listen and respect one another’s perspective and strive for alignment which might mean giving up some of our short-term ‘darlings’ for the benefit of all. It is not always easy to align national interests but wishing to do that can go a long way. Everyone wins in the long-term perspective – we only need the commitment and ‘staying power’ in the present time of political opportunism and short-sightedness.

**Shifting our mindset in this way we can’t miss that the MRSs come with large innovation potential: as innovation of intent, innovation of engagement, and innovation in implementation.**

# The EUSAIR implementation machine of today and Strategic fit

*The EU Strategy for the Adriatic and Ionian Region (EUSAIR) is a macro-regional strategy adopted by the European Commission and endorsed by the European Council in 2014. The strategy has a clear governance structure: in addition to the political level, consisting of Ministers for EU Funds and/ or Ministers of Foreign Affairs of eight participating countries taking strategic decisions at the EUSAIR Annual forums’ ministerial meetings, the EUSAIR architecture involves two main levels: the coordinating level represented by a Governing Board and the implementation level represented by Thematic Steering Groups. Operational support to both levels is provided by the EUSAIR Facility Point strategic project<sup>4</sup>.*

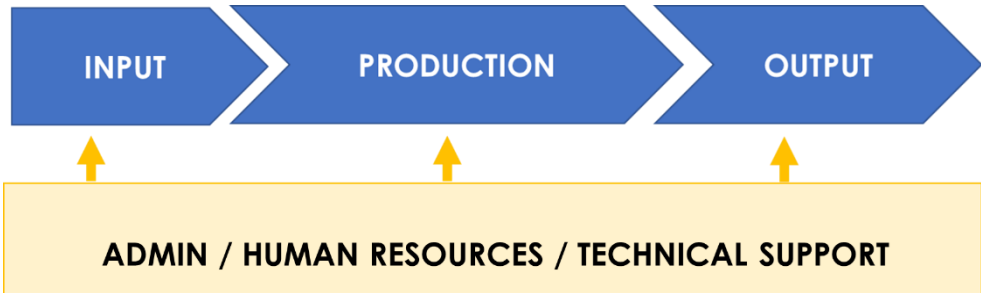
People and organisations often have complex visions and think in terms of complex strategies. However, the action formats we choose do not always match the level of that complexity. Often because there are some unexamined assumptions at play - certain things we take for granted as “the way to do it”.

With time, the system starts to give feedback to the designers, both from outside and inside; we experience it as tension and frustration when our efforts do not bear the fruits intended. This is where it is important to stop for a proper reflection and analysis of what is going on from the systems perspective. As humans we tend to blame other humans for ‘doing something wrong’ while most often it turns out to be a design flaw – once we correct it people start to behave in ‘right ways’.

Every machine is designed to fulfil some purpose and produce certain results – in fact, there are no ‘broken’ systems at all. Let us examine the EUSAIR’s present-day “implementation machine” and try to see the assumptions that built it at some point in time.

A value-chain consists of three principal modules - Input, Production and Output – and one ‘backstage’ module – Administration / Human Resources / Technical Support.

**Figure 1. Value Chain**



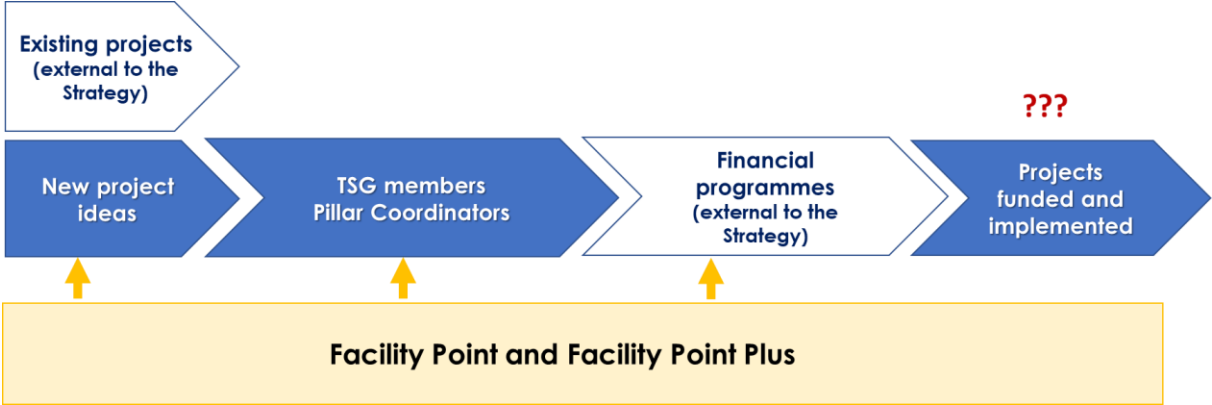
Let us apply this simple model to the EUSAIR value chain.

<sup>4</sup> The EUSAIR website, <https://www.adriatic-ionian.eu/about-eusair/governance/>

The EUSAIR value chain and its limitations

When asked “What is the main Output of the Strategy?”, many respondents answer without any pondering: “It is projects and their sustainable results” or “It is when the projects get funded by (a certain) programme”. If it is so, the value chain looks like this:

Figure 2. The EUSAIR as a value chain 1.0



As we see, our “project factory” uses also **external Inputs** (‘external’ meaning outside the Strategy thus ‘beyond our control’). This does not have to be a problem – as long as the inputs/projects are relevant and in alignment with our objectives. In a way it can save our resources as we don’t have to process them - they are already there; we just have to consider them in our own planning.

**What do we do instead?**  
 We spend time in discussions around these projects in order to make them ‘our own’ – validating them against our definition of an “EUSAIR project” and the six broad criteria developed for this purpose. Efficient? Legitimate?

Let us look at our “**production people**” – the Pillar Coordinators and members of the Thematic Steering Groups. Here we run into the major problem – ‘steering groups’ are made for steering – in the real production world these are site engineers, resident architects, construction supervisors and superintendents. In our world, they are ministry employees and higher-ranked officers that are now expected to deliver Outcomes, or at least contribute to the delivery.

They gather at least twice a year and work with the project ideas, mostly through the procedure called ‘labelling’. We noticed that ‘labelling’ is gradually disappearing from some areas (result of system feedback – “does not lead to that our projects get funding easier than otherwise”). In other places labelling is still in use and the users work for perfecting the art of labelling (maybe in their areas the system feedback says something else and it still ‘makes sense’?).

Anyway, all ways are good as long as they lead to the desired outcome – from the interviews gathered, and THIS does not seem to be the case. In fact, this is where the production line stops. Often for ever. For whatever ideas we come with, no matter how long time it took us to agree between ourselves, our projects do not fit the current funding programmes and their decision-

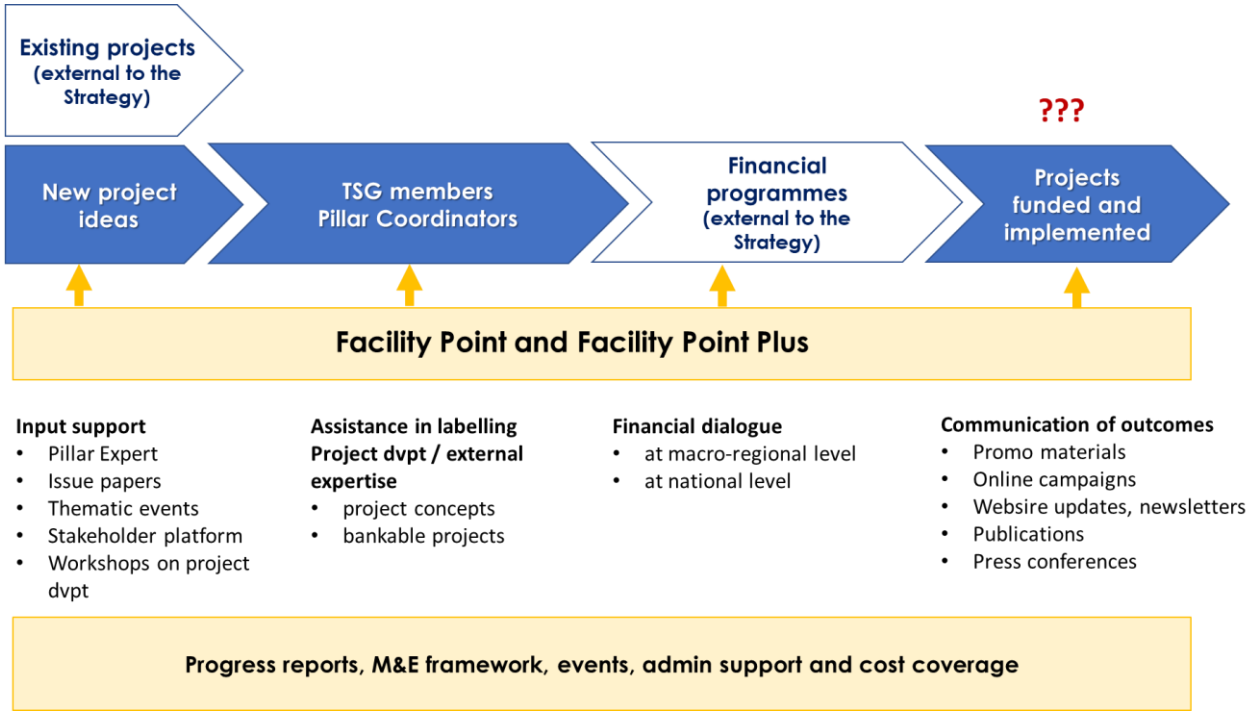
making logic – for various reasons: too big, wrong focus, non-eligible partners, wrong timing, too high competition. **System feedback:** are we doing it wrong? Or doing the wrong thing?

Yes, “the dark horse” – the unpredictable EU programmes - is logically included into our production, and yet we have no control of it at all.

But another reflection hits even higher: our production team – its size, composition and even competence – looks disproportional to the expectations on the Strategy’s overall promise of being an “innovative instrument for cooperation”. To put it simply, **we have a good team of construction supervisors – but no construction as such.** In this value chain, some outcomes ARE produced – by external parties (project owners and promoters) whose projects we have not added much value to.

Now you might say – this picture was true before, now we have made good changes. Let us see what the value chain looks like today, with the arrival of the Facility Point and Facility Point Plus.

**Figure 3. The EUSAIR as a value chain 2.0**



Our factory’s ‘production team’ has been reinforced by a new support unit – Facility Point/Facility Point Plus the main value added of which is **expertise** that the ordinary team might not always have – such as industry expertise, project development and monitoring and evaluation (M&E).

- ⇒ New qualitative inputs, based on expert analysis of the field and even feasibility studies, allows the TSGs to see gaps and design new projects and also *larger interventions*, such as a thematic Master Plan (e.g. Pillar 2 Transport).
- ⇒ The Strategy launches another great idea - *cross-Pillar projects* that now include more than one perspective (e.g. P2-P4’s “Managing tourist flows in sensitive areas”) and *potentially* expands the impact of the Strategy.

- ⇒ TSGs discuss the ideas for mono- and cross-Pillar projects, recommend partners and potential funding sources – and when agreed, the idea proceeds to another expert, in project development funded by the Facility Point LP and Facility Point Plus, to become *quality project concepts or even ‘bankable projects’* of both sorts (mono-Pillar and cross-Pillar ones).

The effects are *potentially* significant: ideally, the quality of project proposal coming out of this factory is so high that the success rate of such projects (compared to earlier ‘labelled’ ones) with the programmes should be higher too. Or so it is *assumed* – time will show.

### Word of caution though

In this connection, one could raise the question of capacity - just to be clear when discussing the effects on the system. Does the capacity of our ‘workers’ increase when the work is ‘outsourced’ to experts? Have they learned how to do it themselves, using the existing institutions they come from? Probably not. The overall capacity of the production to deliver quality projects has grown in a short-term perspective – but is “project support” a truly strategic place to invest in the long term?

This is how the implementation of the Strategy is designed today – it is based on a rather complex and by many perceived as complicated, structure which is geared for **producing projects**. At the moment of writing, as the support facility in question (WP 2) has only recently become available, not many projects are being delivered by the Strategy – to our knowledge, there are project concepts and several project applications are under way, although no financing decisions have been taken by the operational programmes.

The questions we hear you ask yourselves are

- What’s the use of labelling external projects if it does not seem to lead to higher success rate with funding? Should we keep spending energy on it?
- If the Strategy’s actual production outcome is “projects”, is it feasible that our “work force” are the TSG-members (mainly ministry officers) and project development experts?

... while better questions should be in line with

- ? Shouldn’t we produce something else, re-define our outcomes and build a different “factory” for that?
- ? What is a more suitable role for the TSG-members and Pillar Coordinators? What real value can the TSG-processes create in the new “factory”?

Having said that, there is nothing wrong with projects if they are a part of a larger plan – so who designs “larger plans” of what can they look like?

The EUSAIR structure operates in an environment of political uncertainty within the countries and the EU as such, the cyclical changes in the EU’s inner life (new EU COM being formed, the current funding period is nearly over) and of growing complexity of the ‘wicked problems’ haunting the

whole world, such as climate change, poverty, aggression and world migration, as well as notorious macro-regional challenges such as that of brain drain within the Adriatic and Ionian macro-region. Issues emerge all the time, both problems and opportunities – how equipped is our little factory to tackle what’s coming? Will projects save the world?

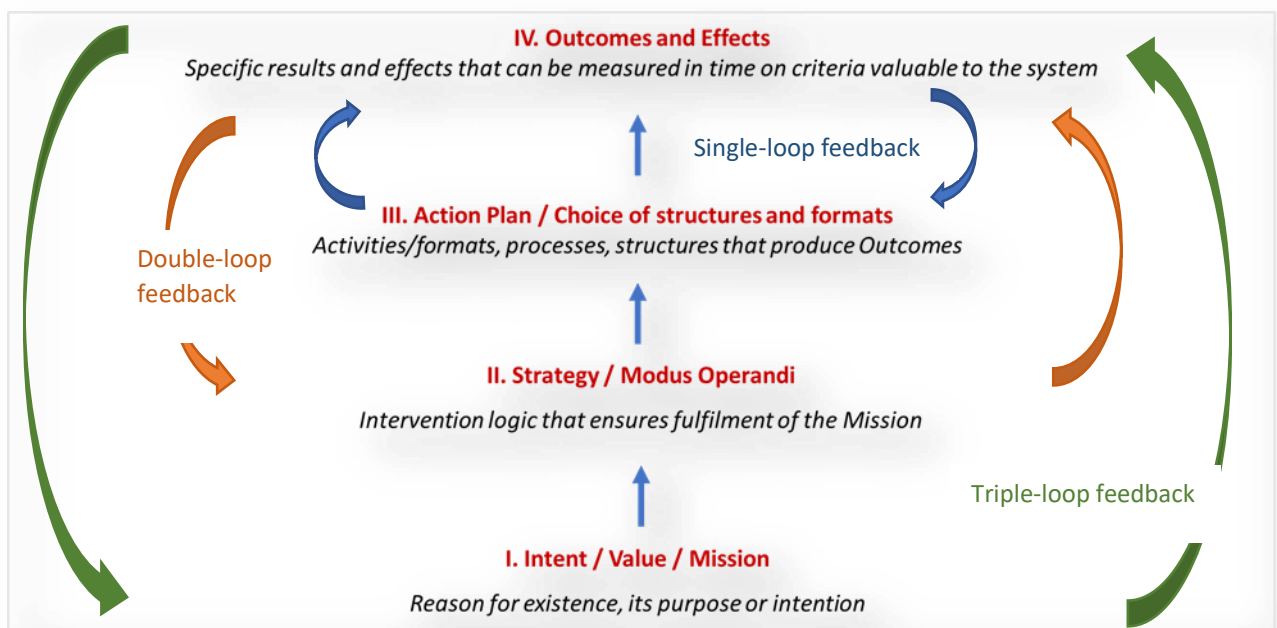
### Strategic fit: the EUSAIR as a system and what have we learned from it

In search of formats *beyond projects* – those which can give us more leverage in tackling our complex challenges – how should we think? And how do we know that these formats would be more ‘strategic’?

Systems theory tells us that any system consists of, and exists on, **four principal interconnected levels** organised by the principle of hierarchy where each underlying level defines levels above, like the figure below presents.

The strength and performance potential of the system depends on how well the levels are designed and on the degree of its internal coherence. Systems theory says, the system can learn from “seeing itself in action”, through **feedback loops**.

**Figure 4. Four levels of a system**



There are **three types of feedback loops** between the four levels of the system that can tell us how the system is performing against its Mission. The *single-loop feedback* is simple and straightforward – it shows the connection between the methods chosen and the result produced (i.e. between Levels III and IV). If the result is not what we hoped for, the single loop signals that we probably need different methods. Thus, we are able to assess our **efficiency** (how well we produce) and **effectiveness** (how large effect/impact we produce).

In our case, **the single-loop feedback** signals the following:

**Figure 5. System feedback from the single loop**

Signal >	Our interpretation >	Response to increase efficiency and impact
Success rate (with EU programmes) of labelled projects is too low	1. “Labelling is worthless while it is so difficult to agree on the projects” 2. “We need better projects to make them more competitive”	⇒ Labelling is disappearing ⇒ Cross-Pillar projects appear ⇒ Facility Point’s experts
Separate projects, even if financed, do not produce enough sustainable impact	“We need to plan long-term and more than one project at a time”	⇒ Masterplan (accrued impact) ⇒ Cross-Pillar projects (potentially higher impact of cross-sector approach)
Not all our priorities are covered by Adrion, other thematic incompatibilities with the current EU funding >> risk of no implementation at all	“We need to agree on and feed in our thematic priorities in order to influence new funding period” “We are not competent enough to advise on funding the projects” (TSG insight)	⇒ Position paper, idea of MA networks ⇒ ???

Based on the above, some insights have emerged:

With incongruences between the member states and the IPA-countries, meeting in “joint projects” is hardly possible in a larger scale. The two sets of countries have different developmental objectives – the member states act for *development, growth and acceleration* of collaboration (proactivity) while the IPA countries act for *alignment of EU policy fields, strengthening public institutions and developing procedures* (compliance). These two agendas result in that it is difficult for actors to meet in same projects, as the funding programmes and procedures are designed for different purposes – that effectively causes frustration when actors try to establish efficient collaboration. If we assume ‘projects’ as our only format to promote thematic achievements,

- the risk of ‘no implementation’ is imminent which might lead to *effectiveness/efficiency crisis* of the Strategy as a whole
- consequently, the EUSAIR objective of integrating Western Balkan into the EU community is also at risk – as no meaningful activities take place – which might lead to *questioning political legitimacy of the EUSAIR*.

In the light of legitimacy of the Strategy in the eyes of project promoters and even operational programmes, the implementers should seriously question the existing practice of labelling external projects. In essence, it might be perceived as a way to take credit for other people’s efforts and to appropriate the impact as one produced by the Strategy. So,

- what is the real value added of the TSGs?

- how can we frame their contribution to the implementation that better suits the nature of their everyday work and the needs of their home organisations?
- how can we plan TSG meetings and coordination as such, to bring maximum value and minimize undesirable effects such as ‘no shows’ and ‘lack of commitment’?

So, the questions the implementers should attempt to answer when assessing the implementation mechanism are:

- ? Are *thematic projects* we put efforts in, geared to delivering on the promise of the EUSAIR to the region: that of strengthening the foundational prerequisites and removing structural barriers for multi-stakeholder, cross-sector collaboration in the areas of common concern or opportunity?
- ? Is *the EUSAIR Action Plan* really a strategic document that is composed of actions pursuing that same objective above, or we should re-design it for better fit with the Strategy’s value added and objectives?

Reflecting on these questions helps us to surface the very assumptions that were made once upon a time that we have operated under and seldom questioned, such as

- “international cooperation happens in projects”,
- “international cooperation is only possible when there is an EU funding attached to it”,
- “international cooperation happens through ETC programmes”,
- “international cooperation is a prerogative of (designated) national and regional bodies”

#### **If we were to change the assumptions what might they be?**

Let us revisit the foundations of our system (above) and continue our inquiry using the feedback loops of the second order. The **double-loop feedback** includes the single loop, and goes deeper, to the level of the Strategy Modus Operandi (Level II) - exploring the question whether *the choice of intervention logic, the approaches we choose* are truly adequate

- the desired outcomes and effects, activities and methods (Levels III and IV), and
- the actual intent, or Mission, of the Strategy (Level I).

Doing this, not only we assess our effectiveness and impact, but also explore the **sustainability of our efforts** in a longer-term, which leads us to new questions:

- ? On what principles should we design our intervention, our main Strategy Modus Operandi, in a way that enables us to duplicate, scale up, scale down, adapt and upgrade our collaboration methods, and ultimately fulfil our mission?
- ? How should we approach the question of resources?
- ? What implementation capacity is required to ensure the fulfilment of the mission?
- ? How should we re-define our roles and the coordination patterns between the implementers?
- ? What wider perspectives do we need in order to fulfil the mission, who else should be involved?



To make our analysis complete, we need to go even deeper, all the way down to the level of Mission (Level I) and collect the *triple-loop feedback* (that includes the single- and double-loops) – in order to explore the coherence of the levels, find gaps and misalignments and assess strategic fit of the implementation formats to the present paradigm – thus connecting all the four levels.

We might discover that

- our strategy/Modus Operandi does not fully correspond to the ‘volume’ of the Mission, or/and
- our chosen approaches are too short-sighted and unsustainable, or/and
- our current management assumptions are wrong for the purpose, or/and
- the formats we choose are too limited for the value declared, or/and
- some elements of the structure / processes are too rigid for the reality people operate in, or/and
- some organisations and even people do not have the capacity needed to perform their tasks, or/and
- the evaluation criteria and indicators are not relevant to the purpose or/and Modus Operandi.

We might – often to our surprise and dissatisfaction – discover that *the Mission itself* does not correspond to the reality which in turn, leads to “wrong” choices of Strategy, Actions and consequently, “wrong” Outcomes.

We might discover that the system we have built is run by a competing agenda to the one declared in our public promise – for example, it might pursue *efficiency and performance* (for we assume it will ensure political support) while it neglects the expectations of the citizens to participate in the development (which undermines the *Strategy’s legitimacy* in their eyes).

Thoroughly and honestly exploring the systems feedback gives us an opportunity **to better align** the levels or even **re-design the whole system** if we need to – by building in on a new ground more adequate to the context.

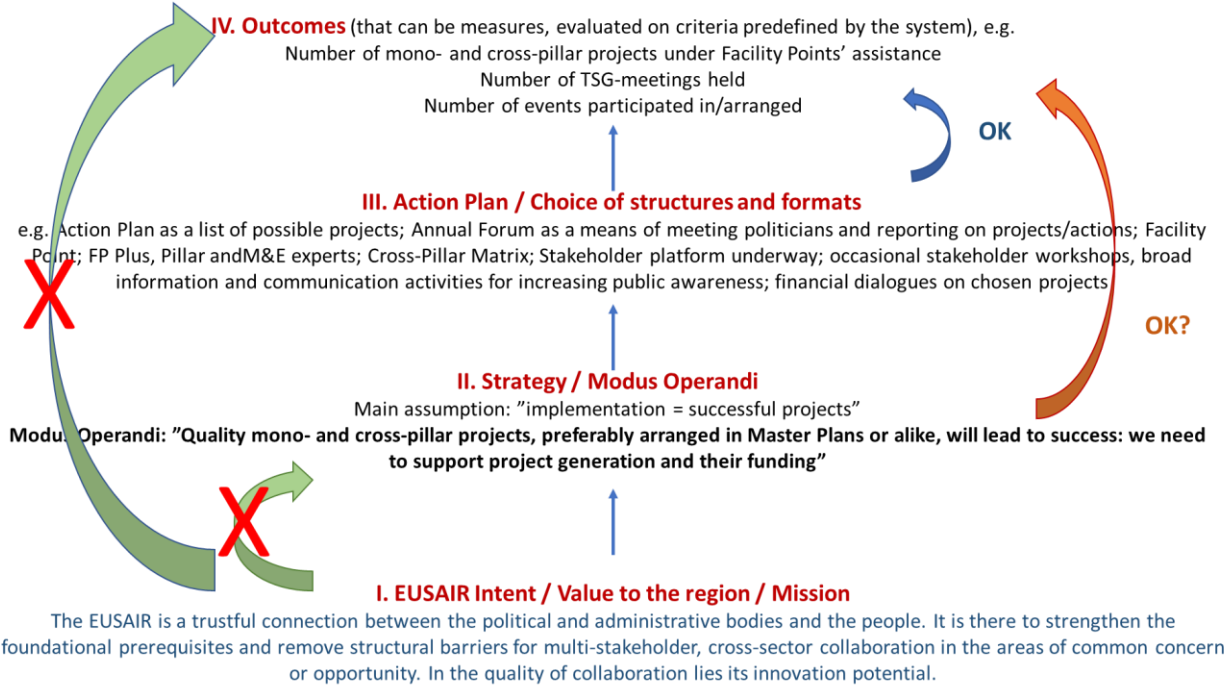
Let us re-visit the EUSAIR’s mission (Level I) based on its *pronounced value added* to the region (see in detail above, [The EUSAIR value proposition to the Adriatic and Ionian macro-region](#)) and see what *the three feedback loops* generate for us.

**Level I. EUSAIR Intent / Value to the region / Mission**

In the Adriatic and Ionian region, the EUSAIR is **the trustful connection** between the political and administrative bodies, and the people who want to participate in building their own future. The EUSAIR’s strategic role is to **strengthen the foundational prerequisites and remove structural barriers** for multi-stakeholder, cross-sector collaboration in the areas of common concern or opportunity. In **the quality of collaboration / participative approaches** lies its innovation potential.

At the *present* moment, under the *present assumptions*, the picture looks something like this

**Figure 6. The EUSAIR system today**



A brief analysis shows that while Levels II, III and IV are rather coherent between one another, i.e. built to support "the project factory", the three together are in fact *largely disconnected* from the EUSAIR's Mission based on value to the region. How 'dangerous' it is?

Systems theory tells us about how systems behave when we choose to influence them without full awareness of potential impact of our intervention – the reason why we need to stop and reflect before the plan our next improvement initiative at which of the levels it is planned. At this point, the Strategy chose to strengthen the "project factory" as the Strategy Modus Operandi, by bringing in experts through the Facility Point and Facility Point Plus, while other elements of the system remain unchanged, including 'the dark horse' – EU project funding. Let us explore possible effects of this intervention on our system.

**Facility Point and Facility Point Plus: present-day feedback and early reflections**

Already now, while acknowledging the potential benefits of the two facilities<sup>5</sup>, the Pillar Coordinators notice that it takes time to procure experts and bring them up to speed to make them operational. This time and effort should be taken into account when evaluating efficiency of this measure that is meant to be a lubricant in the system.

It appears that most of the Pillars have now defined their priority projects and actions (e.g. "Green Mapping"/P4, Master Plan/P2, Contingency Plan/P3) and, consequently, acquired the thematic experts to assist the Pillar Coordinators. Potentially, the experts can play a role that goes beyond 'expertise only' – for example they can assume the role of 'capacity builders' within the Pillar and the corresponding TSG, with the view of helping the implementers internalise the expertise (that goes

<sup>5</sup> Facility Point's WP 2 (funding thematic experts, project and M&E expertise) and Facility Point Plus (for cross-Pillar projects and capacity building)

both for thematic expertise and, especially, for expertise in monitoring and evaluation). They can become an ‘extended arm of the Facility Point’ acting out in the field.

The Pillar Coordinators, acknowledging the benefits of having thematic expertise close at hand, have ideas around how the Facility Point’s expert-money can be used in ways more flexible and yet purposeful – e.g. the amount can be split among 2-3 junior experts in the Pillar Coordinators’ home institutions. It appears that the provisions for such arrangements are already in place, and practical solutions can be developed and tested. Such an expert team can be, supposedly, managed by the Pillar Coordinators at their discretion, which allows to flexibly allocate the expertise where it is needed most and change focus if the situation prompts it.

More strategic reflection on the Facility Points’ present-day modus operandi points to two effects rather *unintended* and *undesirable*:

- ↓ While the measures are seen as ones *strengthening* capacity of the implementers they in fact ‘outsource’ the capacity to external experts while the implementers’ capacity remains *unchanged* (i.e. neither individuals nor their institutions have internalised the expertise) and no major learning has happened in the system that could have otherwise strengthened its sustainability.
- ↓ When the Facility Points, projects as they are *per se*, are over, so are their benefits and effects > the designers should consider sustainability of this measure and its effectiveness in the longer run.

Overall, considering the strategic ‘disconnect’ of the “project factory” from the mission/value added to be delivered, as well as the persistent presence of the ‘dark horse’ – the EU project funding we have no control over which might render all these efforts (and means!) pointless - the designers of a future Facility Points’ offer should probably consider other types of support and facilitation to the EUSAIR’s implementation. Having said that, strategic projects as such can still be valuable (and even bearing) elements of larger formats such as ‘collaboratives’.

A more thorough analysis of the Facility Points is not a part of this very exploration – here we only look at the functional relationship between those and the Strategy’s implementation. More ideas might emerge around their future as we move to re-designing the implementation level for better fit with the EUSAIR strategic intent/Mission.

## Re-designing the EUSAIR implementation machine

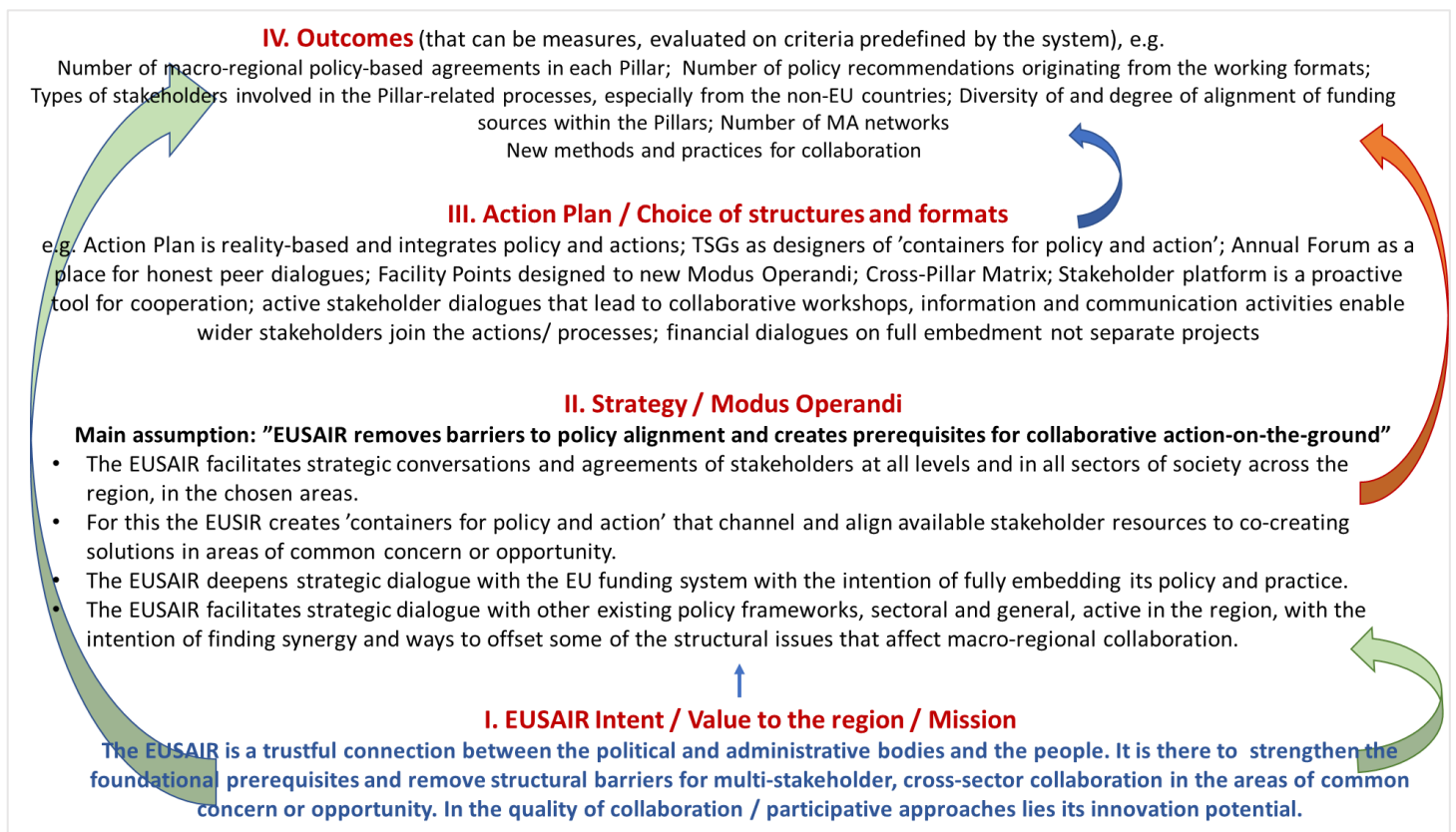
In the conversations leading to this paper, a fair amount of ‘good practice’ has surfaced – most of them ad hoc, country-based and largely unreflected on, such as stakeholder conversations that often happen at the Facility Point Partner in Izola, Slovenia, to name one. Systems theory tells us that in a complex, multi-agent system such as a macro-regional strategy, it is such innovative practices that bear ‘seeds’ for the system’s transformation. We should seek them out, explore and reflect on them and bring them to the fore-front for others to see, try out and learn from the experience (a good idea for scoping a future Facility Point’s value proposition?). Multi-agent systems are very potent, and their ‘collective intelligence’ lies in *learning of all kinds* – primarily, through numerous interactions

and rapid reflection. What works in one place can quickly be tested in others, thus creating an agile web of learning.

Of course, practice alone will not transform the system – but systems reflection as the one we have just been through, can help to build a relevant, agile and even self-organising implementation on the solid ground of a powerful vision.

Let us imagine what a ‘new’ EUSAIR system can look like if we re-frame our Strategy Modus Operandi with the purpose of restoring the crucial connection with Level I – the EUSAIR’s mission and promise to the region. Later on, we will zoom into several important elements of this system such as ‘collaboratives for policy and action’, Thematic Steering Groups (TSGs) and Pillar Coordinators, Facility Point and Communication which are all a part of Level III – the Strategy’s ‘implementation machine’. It is their *capacity* that largely determines successful performance of the Strategy.

**Figure 7. The EUSAIR system re-designed**



Let us base our new design on Level II strategic role of the EUSAIR: **“The EUSAIR removes barriers to policy alignment across the region and creates prerequisites for collaborative action-on-the-ground”**.

If we ‘translate’ this figure into a *basic theory of change* – for the Strategy as a whole - that could inform our choice of actions and indicators, it can look like this.

**Figure 8. Possible ‘theory of change’ in the heart of the EUSAIR Modus Operandi**

The EUSAIR’s roles <i>(see Level II and detailed at p.4-6)</i>	Examples of Actions	Outcomes / Results	Possible indicators
Facilitate strategic thematic conversations and agreements between countries and levels	Targeted intergovernmental, multi-level consultations	Thematic macro-regional, policy-based action plans are developed or underway <i>(e.g. the EUSAIR Contingency plan)</i>	Number of such consultations, agreements and action plans
Create and sustain strategic implementation formats	Thematic, multi-stakeholder ‘collaboratives for policy and action’ <sup>6</sup> <i>(processes not projects)</i>	<p>Stakeholder engagement channelled to the EUSAIR’s thematic ‘collaboratives for policy and action’.</p> <p>Stakeholders (cross-level, cross-sector, civil society) learn to collaborate in practice not on paper.</p> <p>Stakeholders learn to pull available to them resources as part-financing of thematic work (alignment of funding)</p> <p>The member- and non-member states transfer expertise and learn together – in concrete thematic practice (not in theory)</p> <p>Non-policy stakeholders learn to contribute to policy making, while policy-stakeholders learn to ground policy in real-time thematic actions on the ground</p> <p>The EUSAIR Stakeholder platform enriched its effect from ‘potential’ <i>(now, information and invitation to cooperate)</i> to ‘real’ <i>(offers facilitated thematic collaboratives in addition to today’s offer)</i></p>	<p>Number of ‘collaboratives’; diversity of stakeholders actually involved; degree of civil society involvement; number of policy recommendations; number of projects emerged; number of thematic working groups in action; number of public policy consultations; number of triple/quadruple-helix partnerships emerged.</p> <p>Indicators related to the EUSAIR Stakeholder platform as such</p>
Sustain and deepen strategic dialogue with the EU funding system, in connection to more spacious formats, such as ‘collaboratives’, Master Plans and alike	<p>Common Priorities follow up based on the outcomes of Position paper</p> <p>Pro-active participation in the ESIF structural dialogue with the aim of exploring strategies and tools for integrated development in 2021-2027 <i>(e.g. “Europe closer to citizens: the new policy objective 5”)</i></p>	<p>The EUSAIR, the ESIF actors and the Commission have created a common space where they learn about one another’s realities, needs and opportunities (among other means through MA networks).</p> <p>The EUSAIR as an innovative collaboration framework helps to innovate the existing EU funding paradigm. The EU COM possibly re-</p>	<p>Number of learning consultations; Number and degree of activity of MA networks in the region; number of funding prototypes offered to the stakeholders.</p>

<sup>6</sup> Similar to “flagships” *(not ‘labelled flagship projects’)* in the EUSBSR (the EU Baltic Sea Strategy); otherwise ‘thematic platforms for stakeholder collaboration’.

	<p>Creating MA networks and facilitating their work.</p> <p>Regular conversations, consultation and joint workshops (<i>with Pillar Coordinators/TSG members and Operational Programmes</i>) for prototyping new financial solutions that lead to full embedment in the future – also (<i>but not only</i>) for certain thematic priorities of the Pillars</p>	<p>defines its role and contribution in the world where the MRSs is a reality.</p> <p>TSG members are engaged in these discussions and thus expand their contribution to emerging project development within Pillars.</p>	
<p>Create and maintain strategic dialogue with other policy/political/financial frameworks active in the region</p>	<p>Inter-framework consultations and working groups, with the purpose of articulating value added of each of them for the region, benefits to one another, areas of synergy or complementarity as well as of overlapping /possibly conflicting elements</p>	<p>The EUSAIR stakeholders learn to</p> <ul style="list-style-type: none"> <li>-consider a wider context of policy and action in the region;</li> <li>-plan own actions in an informed way,</li> <li>-‘capitalise’ on more generous eligibility of some thematic frameworks,</li> <li>-create mutually beneficial personal connections</li> </ul> <p>&gt;&gt; the Strategy can offset (an even bypass) some of the structural issues that hinders cooperation in conventional projects (e.g. EU – IPA alignment)</p>	<p>Number of inter-framework consultations;</p> <p>Number of practical exploration workshops;</p> <p>Number of agreements emerging from consultations;</p> <p>Number of policy initiatives resulting from the inter-framework space.</p>

To recapitulate the above:

To restore the systemic connection to its Mission, the EUSAIR needs to assume **a new, more complex Modus Operandi** that gives the Strategy a much higher leverage and results in much higher impact on policy and macro-regional collaboration than separate projects, and even chains of projects, can deliver.

Such Strategy Modus Operandi could include the following types of actions:

- Targeted intergovernmental, multi-level consultations leading to macro-regional agreements
- Thematic, multi-stakeholder ‘collaboratives for policy and action-on the ground’ (processes not projects)
- Continue the pro-active structural dialogue with the ESIF, with the aim of exploring strategies and tools for integrated development in 2021-2027
- Creating MA networks and facilitating their work
- Regular consultation and joint workshops (Pillar Coordinators/TSG members and Operational Programmes) for prototyping new financial solutions that lead to full embedment in the future

What does it imply for the governing and implementing stakeholders?

The crucial capacity that each of them should develop – from the Governing Board to the TSG member – is **to see the whole system**, to understand how interdependent the roles and contributions are, to know where and how result is created and what role they play in the big scheme of things. Consciously working with *the internal coherence of the system* – of Mission, Strategy Modus Operandi and specific Actions – should become an everyone’s agenda. It seems obvious that it also should become a task of the Facility Point – to strengthen internal links of learning and communication. We will look into it in due time.

Pillar Coordinators and TSG members, in particular, should re-think their intervention logic with the topics and stakeholders of the Pillars – realising the limited potential that even great projects can deliver.

Let us zoom into how the new intervention logic – *‘collaboratives for policy and action’* – can be a more strategic alternative to projects. Later on, we will look into what *capacity* should be in place if we want it to work.

### ‘Collaboratives for policy and action’

Present-day implementation formats can be seen as a springboard for new, expanded formats in the future.

#### **Present-day implementation formats within the EUSAIR (Level III)**

Asking the implementers “What work formats do you employ in your Pillar?” we have gathered the following picture – which does not claim to fully reflect the emerging realities but still surfaces “the centre of gravity” of the EUSAIR present-day implementation.

Almost by default, the implementers think **‘project’** as THE working format to use – the assumption that leads to that other alternatives are not consciously explored. At the same time, we see that movement has started from simpler forms of projects to more complex and strategic ones:

- **Strategic projects:** when choosing what projects (presented in the Action Plan) to target, the TSGs try to select and support those that aim at *creating prerequisites* for further actions of different stakeholders, rather than fixing a problem (such as “Green Mapping” or “Master in destination management” of Pillar 4).
- **From mono-Pillar projects to Cross-Pillar projects:** enacting the Cross-Pillar Matrix is an excellent move to producing a larger and more systemic impact, using more than one perspective for scoping. All the Pillars by now aspire to developing such projects.
- **Chains of projects, positioned along a timeline, can form a “Master Plan”** (as Pillar 2 Transport): provided adequate and timely funding is obtained, Master Plans potentially have a higher strategic value for the region. At the same time, successful implementation of a Masterplan in the time frames preferred, is to an even higher degree than a single project, dependent on the line of funding which at the present moment is still a big question.

- A format like “**Contingency Plan**” that seems to be a product of intelligent integration of the national contingency plans (part of Pillar 3), is another good format to consider – as it provides an excellent opportunity to engage in aligning thematic policies within the Region.

It is clear<sup>7</sup> that the Strategy shifts focus from purely national projects to strategic macro-regional projects/emblematic actions under the commonly agreed priorities – the projects that would require, for their implementation, coordinated/synchronised financing and implementation from ESIF/IPA national/regional programmes.

Such projects are meant to be financed by mainstream programmes and implemented within the country’s territory but addressed in a coordinated way with other countries’ authorities having in mind possible macro-regional impact. These pilot/emblematic actions and projects should meet the following criteria:

- (a) distinct, undisputed macro-regional relevance within the proposed priority;
- (b) consistency with highly possible priorities to be set at the national/regional level;
- (c) the related types of actions being eligible for financing according to the proposed by COM regulatory framework for the 2021-27 period;
- (d) can prove their strategic importance (size, complementarity and synergies with projects being implemented outside the country’s territory, missing links, multiplier effect if jointly implemented etc.).

Attempting to employ **ESIF Article 70** of the common provisions is definitely THE most logical step in tapping into the mainstream funding and should be rigorously pursued by the EUSAIR implementing stakeholders. However, it is easier said than done – although the provisions were made in 2013, few macro-regional projects have made their way through (e.g. two in the EUSBSR). These two ‘worlds’ are not very familiar with one another, they even speak ‘different languages’ (one of our interviewees told us that “the word stakeholder is non-existent in the ESF vocabulary”). To make it happen, the financial dialogue should go on continuously and on all levels, including projects – the path of trial and error, discouraging as it may be right now – how otherwise would we know what exactly does not work? The capacity to understand the intentions and needs of macro-regional formats, as well as to process macro-regional project applications, is yet to be developed on both sides.

Reflection kicks in.

While these expanded designs reflect more complex thinking, broader scope and, in some cases, longer timeline, they do share the features of *a conventional project*:

**They work with pre-defined set of partners** which not seldom remains more or less the same from project to project (the ‘usual suspects’ in the EU-programmes’ jargon), in better cases the partnerships open up to wider stakeholders through reference groups;

**They aim to address one or two aspects of a complex issue**, which is often determined by the partnership’s competence base – while other aspects might remain unaddressed; this often leads to that solutions produced are *partial solutions* and conclusions drawn as a result also remain *partial* – in case of ‘wicked’ problems they might even cloud a potentially available systemic solution; besides,

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<sup>7</sup> Position Paper *Follow-up actions in response to the request from EUSAIR Ministers under Paragraph 6 of the Catania ministerial Declaration. February 2019*



it is very seldom that projects pursue **policy agenda** – as a result, policy-making happens *somewhere outside the projects* if it happen at all;

Once set, **projects can almost never change course** – in the present volatile environment, the outcomes of projects might turn out to be inadequate the new situation at hand.

Solving *systemic challenges*, or ‘wicked problems’, is not easy – trying to do it by projects, even chained, is inefficient. Besides, many very significant stakeholders do not ever become project partners – due to issues of eligibility, financial constraints, lack of capacity or experience of international collaboration. Generally speaking, international collaboration seems to be an area only available to a fraction of potential stakeholders – those with international experience, good language skills and interest for international affairs. It is unlikely that we can solve our ‘wicked problems’ with this little manpower. Besides, at its worst, it could even reinforce the mental gap between citizens at large and the EU elite.

This said, we should not treat projects as something inferior and undesirable per se – projects are excellent ways to tackle problems and find solutions to the so called ‘technical problems’ (as opposed to ‘wicked/complex adaptive challenges’)<sup>8</sup>. Luckily, there is plenty of experienced project people and organisations around – those whose projects TSGs consider for labelling as “EUSAIR projects”. Maybe the EUSAIR, based on its value proposition to the region, should spend energy in more strategic ways?

Let us see how can we potentially expand our core projects to become ‘**collaboratives for policy and action**’ – to make them more impactful, more inclusive, more participatory, more agile, more sustainable and less dependent on the relatively inflexible present-day EU funding paradigm which is ‘geared’ to national projects and is difficult to master. Identifying and working in such formats will qualitatively increase the value the TSG meetings bring to the Strategy.

Such formats have several **features that make them more strategic** (which we will describe in detail, below):

- They aim at finding systemic solutions to specific, obvious, macro-regional challenges that no country alone can manage (challenge-based pragmatism)
- They engage all possible stakeholders from various levels and sectors (multi-level governance and broad stakeholder engagement)
- They have clearly articulated and actively pursued policy dimension
- They presuppose multiple sources of funding managed over a life cycle

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<sup>8</sup> ‘**Technical problems**’ may be complex or very compound, but essentially, we know or can figure out how to tackle them and what hinders success (example: building a transport corridor through a region requires alignment of national transport regulations and smoothing border crossing procedures).

‘**Wicked/adaptive challenges**’ are those of unclear origin and multiple causes from various domains, multiple seemingly unrelated aspects, unintended consequences - all of which makes analysis and scoping of interventions uncertain, unreliable, ambiguous while the outcomes of those interventions might not lead us anywhere (examples: climate change, poverty, world migration, alienation of large groups of people from communities with consequences we cannot yet predict).

## Challenge-based Pragmatism

One can't but reflect on the scope of the Pillars – they are broadly defined which, on the one hand, allows for flexibility of focus, but on the other hand, makes the way to implementation very long – through iterations of possible priorities which might or might not result in common projects.

The Pillars might want to consider another approach to focusing the effort – through a limited number of obvious **common issues** that urgently need resolving, or **common opportunities** that we absolutely do not want to miss. Urgency provides stronger energy and commitment than things that are potentially important, important for some but not for all, or those that can wait. It is in the human nature that we gather in difficult times and pull our resources in ways we can.

We can build our implementation formats as **responses to particular macro-regional challenges** and gather **all** relevant stakeholders, from different levels of government and society. Thus, the thematic objectives of the EUSAIR are achieved through a *particular* way of collaboration between them, i.e. 'collaboratives' - engaging, participatory, challenge-driven, pragmatic and policy-oriented.

As with mono- and cross-pillar projects, these responses could be built within a Pillar or between Pillars – if the challenge is complex and demands cross-domain intervention.

## Strategic lever: Multi-Level Governance

The macro-regional strategies came with the three NOs – no extra support is given in the form of dedicated funds, promoting institutions or enabling legislation. Some of us still 'grieving' over this while the macro-regional strategies, by design, come with one huge YES – **the principle of multi-level governance** which opens up for new ways of thinking around European collaboration.

Multi-level governance as a way of thinking and planning paves the way to **stakeholder engagement**. In present-day Europe, stakeholder engagement is an imperative, and participatory formats are expected by, especially, local-level actors, including civil society. Systematic failure to engage them results in deepening the gap, decreasing the trust to institutions, separation instead of unity. Brexit seems to be the result of things going that way for a longer time.

One proof of that the engagement imperative has made its way into the EU programme world, is the recently suggested **Policy Objective 5** of the ESIF common provisions – “A Europe closer to citizens” (sustainable and integrated development of urban, rural and coastal areas and local initiatives) that can use all investment categories and indicators. More specific to the ERDF-world (new CPR Art. 22), support from the Funds is to be provided for integrated territorial and local development in forms of **CLLD ('community-led local development')**: when a local strategy is designed and implemented using a specific bottom-up method.

## MLG in action

The 'right' set of stakeholders on board is your most strategic weapon when you design a 'collaborative' - it is that principal feature of theirs that makes them so smart and efficient.

The stakeholder set should include representatives of various levels of governance (national, regional, local) and/or spheres of society (e.g. social partners, NGOs). Getting the right composition will almost automatically give you **several advantages at the same time**:

- You will get the fullest and most realistic picture of the issue you intend to address – the various stakeholders’ perspectives work as pieces of puzzle that together build **a systemic understanding of the issue and dynamic at play** (e.g. policy gaps existing at certain levels)
- You get a set of **motivated contributors** each of whom is likely to have **knowledge, approaches, methods and tools** that they use to combat ‘their part’ of the issue – together they might come **closer to a systemic solution**
- The various stakeholders are likely to have experience of funding thematic activities, or **have access to funding available at their level** – combined, these resources might fund your ‘collaborative’ or some parts of it
- Each of the stakeholders has **own established channels to policy-levels and other decision-making levels**. It enables you to build the so called ‘**policy loops**’ - processes for delivering the policy-related outcomes to these levels, along the way.
- Consequently, your collaborative’s **communication strategy** can easily be built on the stakeholders’ natural channels, using their fora, communication strategies and even personnel.
- It will be easier to find a skilful and motivated **Collaborative Leader** within this stakeholder set and establish various support processes and motivating implementation culture.

### Stakeholder engagement is not the same as communication

It is well worth mentioning that stakeholder engagement is taking place here and there within the Strategy – just as one example, Pillar 4 is very active always using the occasions to network in culture and tourism events in the region. The other Pillars and TSGs try to do that as much as they can. However, it is worth reflecting on the fact that most of such activities *de facto* pursue information and communication ends – the implementers actively *inform* the public about the EUSAIR and *encourage* stakeholders to use the Strategy. However, as long as we only offer potential ‘projects’ and have no other, more spacious formats to invite to, most of the stakeholder potential remains unused.

The same might be true to the new **Stakeholder platform** that many implementers have hopes for. It is recommended that it should be designed for purposes beyond getting to know each other with a perspective to start projects. These being useful features per se, the Platform should eventually become the online version of physical formats where stakeholders gather to work in **real collaboration processes around an issue or an opportunity**. To a great extent, online collaborative development processes can provide a stronger focus and also be a way to bypass economic and time constraints that often hinders stakeholder engagement in practice.

In a broader sense, systematic stakeholder engagement in real collaborative processes builds the Strategy’s **credibility** and ultimately, **legitimacy** with the citizens of the countries and the union as a whole.

## Policy dimension

Another question we put to our conversation partners was “How do you work with policy in your Pillar/TSG?”. The responses indicate that the policy dimension is not clearly articulated as an imperative – while the EUSAIR is meant to be a large-scale policy instrument for cohesion in the region. Some reflections have emerged:

- The name of the function, “*Pillar Coordinator*” by itself does not convey ‘policy’ – to compare with the EUSBSR where the function is named “*Policy Area Coordinator*” which signals that all work done aim at a policy impact of some sort, i.e. policy implementation, policy alignment or policy development.
- “The project factory” demands very much energy from the TSG members – thematic policy discussions have little to no time when the groups meet and deliberate. Those projects that go further to Facility Points’ experts – *potentially* – can articulate policy implications of the action to be taken, however, whatever the policy impact envisaged it is still connected to a particular project’s activities.
- The present-day stakeholder engagement activities have potential of capturing good ideas that can be developed into local and regional policies – this potential remains largely unused because it is not articulated as something to aim for.<sup>9</sup>

**To summarise, it is crucial that the policy dimension of all types of activities undertaken within the Strategy, is well articulated, well understood and operationalised for various levels and roles involved in the activities.**

Pragmatic, challenge-driven actions *beyond projects* (‘collaboratives’) allow us to think bigger – in terms of the policy impact we desire to produce through the action. In a way, **the envisaged impact** becomes our guiding vision – it is against this vision that we may set more specific goals, design multiple processes, plan activities and events.

If we work in a more conscious way, having a particular policy impact in view, we see better what relevant stakeholders we need to have onboard, actively seek their perspectives and also resources. The aggregated impact of such formats is way larger than any project alone can generate.

Working in ‘containers’ instead of projects allows us to pursue policy work in three dimensions:

- **Policy implementation:** in areas where EU/region-wide policy frameworks and agreements exist and are to be implemented in the countries (e.g. Integrated Maritime Policy, Youth Guarantee)
- **Policy alignment:** in areas where the implementation of a thematic policy varies from country to country or and where it creates institutional and other types of hindrances, so cohesion of the implementation becomes a goal (e.g. harmonisation of border-crossing procedures at the border-crossing points along the connecting transport route)

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<sup>9</sup> A good example of such work in the Facility Point partner in Slovenia / Municipality of Izola where, through informal and semi-formal meetings with local actors and citizens, new ideas and born and feedback is generated

- **Policy making/co-creation:** in areas where policies are incoherent between the governance levels, where policies are detached from realities on the ground or where policy is needed but non-existent (e.g. developing policy recommendations for supporting lifecycle living conditions of sturgeon in the various parts of the river, subject to national policy).

Depending on the state of play in a chosen area or with regards to a chosen macro-regional challenge, the designers should be able to assess the relevant policy field, see gaps, agree on the policy impact needed and lay out a course of action for a future ‘collaborative’. Essentially, the work should continue until the impact envisaged has manifested as reality.

Working in such multi-stakeholder collaboratives we need to ensure that the policy-level actors and the ground-level actors meet, discuss, learn from each other and together create multi-level solutions to the challenge they chose to collaborate around.

### Funding considerations

The complexity of a ‘collaborative’ in terms of scope of impact and diversity of stakeholders, presents a challenge but also a huge opportunity for funding them.

On the one hand, it is unlikely that a single programme can fund the whole ‘collaborative’ – and alignment of funding from various sources is needed, which implies that the designers should have good awareness of available EU funds at the various governance levels.

On the other hand – and it is the smartest feature of ‘collaborative’ – **its financial perspective naturally follows its stakeholder set**. Each stakeholder tends to have good knowledge of available funding for their ordinary activities or projects, and many of them are quite experienced in obtaining funding to cover their own costs. We should surf on this opportunity.

A good exercise for you as a designer can be doing **extended Stakeholder analysis** – where you do not only outline their interests and contributions but also the financial resources they can bring to the table.

### Outcomes and Communication

If a Pillar chooses to organise its work through ‘collaboratives’, communication of achievements and outputs also follows the stakeholder set – each of them has given communication channels to their persons of interest and has the language that gets through to them.

The main ‘narrative’ of the work at hand should be developed at the start – it will help engage new stakeholders in the future. The collaborators will then ‘translate’ and customise it to their needs and channels. There is always something to communicate from a ‘flagship’ – in a way, every meeting can come with a little achievement that is important for someone. After all, the format itself – multi-stakeholder, cross-level, pragmatic collaboratives - is not something known to our people. Exploring it through the eyes of the collaborators can generate really good stories and create awareness of what is really being done in the Strategy, not from official conferences but in real life.

If you go for working in such ‘collaboratives’, the following table might guide your communication strategy.

Figure 9. Communication in ‘flagships’<sup>10</sup>

What should be communicated	Possible message/content	To whom, by whom
Impact, outcomes and results of the flagships	EUSAIR adds value to other forms of international cooperation: <b>WHAT</b> is achieved through the strategy/by Pillars/in ‘flagships’	European institutions National political/governance levels Financers/investors Civil society General public <i>(through the stakeholders and their natural channels, through national coordination units, also through arranged thematic fora)</i>
‘Collaboratives’ as a modus operandi that gather stakeholders for co-creation of solutions to our common issues	<b>HOW</b> the results are produced: Innovation in bringing actors on the ground into collaborative actions AND policy work, <b>emerging new narrative:</b> from “ensuring compliance and coordination between national institutions” to “citizen involvement, and peer-based, multi-level co-creation and collaboration for policy and action”.	National political/governance levels Financers/investors Civil society organisations General public
Need of political support to macro-regional collaboration around our common issues	Message to the policy- and decision-making levels (macro-regional, national, regional, local): <b>political support is crucial for us to succeed, get involved, join.</b>	Politicians of various levels <i>(ideally, through the stakeholders and their natural channels, also through arranged policy dialogues)</i>
Stories of the collaborators, participants and witnesses of impact on the ground	Participants <b>describe their co-creation experiences</b> (co-creating policy with other stakeholders can be a unique experience for an individual or an organisation previously not involved in policy creation), <b>how they implement outcomes</b> at their different levels, <b>what they reflect on</b> when thinking of Europe today.	European institutions National political/governance levels Financers/investors Civil society organisations General public
Funding should and can be aligned for combatting larger issues	Flagships are good ways to align funding available on various levels, and <b>thus increasing the aggregated impact of the investments</b>	European institutions National political/governance levels Financers/investors

<sup>10</sup> Originates from the EUSBSR Support (capacity building programme for Policy Area Coordinators) where the term ‘flagship’ is used instead of ‘collaborative’

## Summary: the concept of ‘a collaborative’

A ‘collaborative’ is a strategic action born to respond to *a particular macro-regional challenge* for which it *gathers relevant stakeholders* from different levels of governance (and society). Thus, thematic objectives and targets of the Strategy are achieved through *a particular way of collaboration* between them.

‘Collaboratives’ can exist both within a single Pillar, or between Pillars and other types of actors (which makes the impact even larger and such ‘collaboratives’ even more strategic).

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*‘Collaboratives’ are developmental, collaborative environments / processes that are designed to enact larger policy impact on selected macro-regional issues, within the thematic areas.*

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In essence, not only do ‘collaboratives’ produce larger thematic impact – by design, they change *the HOW* of international collaboration:

- ‘Collaborative’ is a **home to actors** that seldom (or never) participate in projects but whose participation gears up the impact, e.g. ministries and agencies, civil society actors and business companies....
- ‘Collaborative’ **does not end** as long as the challenge it targets persists – and it can become a **home to projects and other formats**.
- ‘Collaborative’ **can change course** if the original one has not worked out or the landscape has changed.
- ‘Collaborative’ **can align different forms and sources of funding**, due to its multi-level stakeholder set.
- ‘Collaborative’, in its culture, is **inclusive, agile and built on voluntary commitment** of various level actors, to the common good.

### Similar to transnational projects, ‘collaboratives’ 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 of perspectives** (‘collaborative’ looks for as many diverse perspectives on the challenge/issue chosen).

### The most significant differences from Project, are that

- ‘Collaborative’ *does not have to delimit the scope* of the issue at hand - while projects often have to choose a problem / an aspect of a problem, which effectively delivers a partial

solution to the issue

- Collaborative's outcome and effects are *formulated in terms of policy impact* – while projects often pursue tangible deliverables of more practical character
- 'Collaborative' produces outcomes of many different sorts, tangible and intangible, that *cannot all be foreseen at the outset* – while projects aim at delivering pre-defined results
- 'Collaborative' is not limited to a fixed partnership/competence and *can take on board any available competence needed for tackling the issue*, at any point in time
- 'Collaborative' is *not limited in time* and can work as long as the issue is active – while projects are always time-bound
- 'Collaborative' is designed in a way that *reality-check and dissemination of outcomes happen in real time* – while projects tend to plan evaluation and dissemination as separate activities that often take place post-project
- 'Collaborative' can be *funded by multiple sources from various governance level* – while projects most often has a single source of funding, not rarely conditioned by political interests.

#### This is what happens in 'collaboratives'

- Different-level stakeholders **gather around an issue of macro-regional significance**, that needs to be addressed through cross-sectorial, multi-level collaboration (*i.e. Contingency plan against marine pollution* )
- Collectively, they **explore the issue** from their different vantage points, and decide **what impact the collaborative is to produce** (in terms of action and policy) that leads to a more systemic solution to the issue. Doing this, they assess **existing policy prerequisites** and **identify policy gaps**.
- They agree on the **working formats and activities**, over time, that allow them to learn from each other's experiences, draw on available resources and – most important - **co-create solutions and policy recommendations** for forwarding the issue to solution.

In each of the Pillars there might be several 'collaboratives', each has a **Collaborative Leader**. The collaboratives' 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.

'Collaborative' seems to be the most strategic of the formats we can see now. It does take some time to understand their full potential and learn to design and manage them. The Pillars that choose to build on 'collaboratives', will eventually become exceedingly more productive and produce a significantly larger impact than projects alone can ever do.



## Innovation and Smart specialisation: a case for a ‘collaborative’?

When the paper was almost ready, an interesting conversation took place – with Dr. Ales Gnamus, Team Leader S3P-NEAR, Smart EU Macro-regions, S3P Blue Growth, about possibilities of embedding Innovation and Smart Specialisation strategies in the EUSAIR. The EU Commission’s Science and Knowledge Service offers support to innovation cooperation in the EUSAIR. As it happens, the Western Balkan countries, namely Albania and North Macedonia, are already on board and there are IPA funds provisions made for facilitating their participation. The Smart Specialisation platform is a three-year project that presupposes workshops, meetings and brokerage events with the purpose of igniting the cooperation and assisting the countries and regions in designing and implementing their Smart Specialisation Strategies (S3).<sup>11</sup>

Potentially, finding ways to embed Innovation and Smart specialisation strategies into the EUSAIR as a framework for policy and collaboration, could **expand the political agenda of the Strategy** – to many it appears somewhat odd that Innovation as a theme is not a part of any Pillar’s scope not a horizontal dimension - effectively, lack of attention to this important theme is not contributing to long-term competitiveness of the Adriatic-Ionian macro-region which runs a potential risk of being perceived as peripheral in this respect.

For comparison, the EUSALP addresses the theme through Action Group 1, the EUSBSR primarily through Policy Area Innovation and cross-PA activities with Policy Area Education, and the EUSDR through EUSDR PA8 Working Group “Innovation and Technology Transfer” (WG I&TT).

Standing where we are today, it probably seems like a huge task to integrate the two strategic frameworks. However, let us remember that the Western Balkan countries are already actively participating in the cooperation – isn’t it a great chance for them to come forward and potentially lead the innovation work within the EUSAIR? What better ways are there to integrate the Western Balkan countries and the EU member states, to learn from one another and develop collaboration in reality?

Yes, there is still so much uncertain and unknown, and our concern for institutional capacity and resources is justified. That is where **‘collaboratives’** can play a good role – gathered around this opportunity, the stakeholders of all levels and sectors (truly, all, even business!) can explore prerequisites through thematic working groups, pilot smaller projects, doing action research, networking across the region – thus paving the way for proper integration in the future.

The Platform offers participation in **eight thematic areas** at the moment: 3D-printing, Bio-economy, Cybersecurity, De- and re-manufacturing for circular economy, Hi-tech farming, Marine renewable energy, Sustainable buildings and Traceability and big data in Agri-food. Our ‘collaborative’ can be put together from representatives of all relevant Pillars and the actors already now working within the Platform. Together they can make sense of the opportunities, experiment with some aspects and maybe plan for future larger-scale projects. And it can be an excellent opportunity for our Balkan colleagues to step up and take the lead.

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<sup>11</sup> More information can be found at <https://s3platform.jrc.ec.europa.eu>.

## Re-visiting the roles and contributions: implementation capacity

The EU Macro-regional strategies are acknowledged as instances of the so called *experimentalist governance* emerging in the context of European cooperation. The experimentalist design of macro-regional governance architectures allows EU member states, non-member states and sub-national authorities to realign territorial as well as intergovernmental political cooperation. The Strategies thereby act as a testbed for ‘inter-governmentalizing’ cohesion policy in a functional region and ‘locking in’ previously established formats of regional cooperation, such as the CBSS, the CEI, the Adriatic Ionian Initiative (AII) or the Alpine Convention<sup>12</sup>.

The five years of experimentation have revealed some of the actual challenges that such an unconventional approach to territorial and political cooperation can face. It is time the EUSAIR reflects on its value, delivery formats, processes and procedures, structures and roles in the light of the reality that presents itself in Europe today. In this paper, we have undertaken an attempt to analyse the EUSAIR as a system. We did it with the focus on two of its elements– its Mission in connection to implementation formats/ Modus Operandi. This analysis has led us to consider ‘collaboratives’ as an implementation format of higher leverage than *projects*.

‘Collaboratives’ can be used by Pillars as the main implementation format or act as a complement to other large/emblematic actions the Strategy commit to. However, it is a complex format, its design and implementation seem to presuppose a change in mindset – from administrating to leading, from smaller partner meetings to broad stakeholder engagement. This alone makes us think “Wow, do I even have time for that?”

On the other hand, consider the time you have spent in the “project factory” and the output it generated so far. Let us explore how working in ‘collaboratives’ can re-shape the work of Thematic Steering Groups.

### TSG’s contribution today

The TSGs convene twice a year; until recently their primary job was to assess project ideas, ex-ante or/and ex-post, and using the labelling procedure to

- include the selected completed or ongoing projects into the scope of the Strategy,
- monitor projects/project proposals labelled earlier on their way to funding,
- promote new mature projects by providing the letter of recommendation to EU programmes,
- consider and if agreed decide on forwarding a potentially bankable projects to the Facility Points’ exerts (both mono- and cross-Pillar projects).

In between the meetings, the TSG members work for promoting the Strategy in their home countries, to various groups of stakeholders, encouraging them to use the Strategy for cooperation in projects.

A concern has been expressed at all levels of the EUSAIR, including the Governing Board, about the appropriateness of TSGs as bodies for project selection. Our interviews strongly confirm the concern;

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<sup>12</sup> In compact notation from “*Experimentalist governance beyond European Territorial Cooperation and cohesion policy: macro-regional strategies of the European Union (EU) as emerging ‘regional institutions’*” Stefan Gänzle & Jörg Mirtl” (April 2019)

moreover, many TSG members do not consider themselves competent enough to work with EU funding issues while it is what is expected of them with regards to the projects they promote. With the arrival of Facility Point and Facility Point Plus, this concern is partly offset by the two facilities. However, the question of the value the TSG members as project promoters remains and has even accentuated in the light of the Facility Points' offer. What can the TSG members do instead?

Recently, the focus of the TSG work has shifted to **contributing to aligning the thematic priorities** of the countries (as outlined in the Position Paper) for the benefit of the embedment into the ESIF funds. Now that this work is nearly done, in what other ways can the TSGs be valuable in the Strategy's implementation?

### TSGs and 'collaboratives'

Should a Pillar choose to work by 'collaboratives', the TSG members could play the very important role of initiative-takers and designers of future collaboratives. This would imply that:

- ✿ They identify, assess and choose **the challenge or opportunity** that can become the core of a future 'collaborative' (the challenge should be obvious, macro-regional / impossible to solve without collaboration and in line with the Pillar or have cross-Pillar connections)
- ✿ They make initial examination of **the related policy field**, considering EU and national perspectives, in order to identify possible **policy gaps** that prevent the challenge from resolving
- ✿ They try to envision the future where the issue is resolved in order to **describe the future state of the system** and give the collaborative its **provisional name**
- ✿ They try to answer the question "Who do we need to have on board if we are to find a systemic solution to this issue?" thus starting to **identify stakeholders** guided by the multi-level governance principle.
- ✿ They brainstorm ideas for more **specific actions** that will take place inside the collaborative, i.e. projects (not necessarily macro-regional but contributing in their way), thematic working groups, public consultations, open policy dialogues, study visits, policy-writing workshops, participation days and what not.
- ✿ They continue to work out **project ideas** that can become bearing elements of the 'collaborative' and do their best to utilize the WP 2-facility for project development; priorities defined within the Position paper can be a good starting point.
- ✿ They also brainstorm and organise financial dialogues around all possible **funding sources** that might be available to the stakeholders envisioned for the collaborative and make a simple funding map to be explored further.

- ✿ They decide on how they want to **proceed** with this work, form **individual commitments** as to what needs to be delivered in between the physical meetings, and agree on how to keep **communication** between one another.

As you probably notice, the TSG meeting as such has become a collaborative. The *physical* meetings can still take place twice a year, and the time and space in between the meeting can be planned in flexible ways (maybe 2-3 *online* meetings over the 6 months and *ordinary email/telephone communication* for operative matters) as long as the group stays committed to the process. Sharing one meaningful context will keep you alert and focused while the actual time spent is not more than your work life allows otherwise.

The role of the Pillar Coordinator is to facilitate this meeting and keep track of the process in between. **Facilitation** is a capability that is in demand nowadays; it is a profession with its set of skills, so we should not assume that any person can be a good facilitator. However, the Pillar Coordinators we talked to definitely has what it takes to hold such conversations where different perspectives meet. To be fair, we would suggest the TSGs receive the facilitation support from the Facility Point; later on, the Facility Points can probably undertake training of such facilitators who could assist the Pillar Coordinators during the TSG meetings.

**Upon coming home**, the TSG members become ‘ambassadors’ of the collaborative and the issue as such, which means that they now focus on **communicating with national and subnational stakeholders** – inquiring into their thematic practice, inviting their contributions, discussing funding sources, participating in thematic policy conversations etc. Doing this, they connect the national/subnational levels to the macro-regional level, and this is done around the specific challenge of undisputed importance and urgency. Experience of another MRS shows that a collaborative can have up to 200 collaborators, referred to as ‘members’, arranged in membership levels – from observers/networkers who want to stay in touch and follow the development at a distance, to primary collaborators who run common workshops or projects together.

Having a spacious format like ‘collaborative’ helps the TSG member **connect even the home organisation to the implementation** of the EUSAIR – which can be very difficult to do with projects. In a ‘collaborative’ there is room for any form of participation and contribution – some working forms do not even require travels or can be carried out by Skype, Zoom and alike.

Working in ‘collaboratives’ seems to be a way to **bypass the difficulties arising from eligibility or financial constraints** which can prompt solutions for collaborators from the IPA countries to make them feel equally included.

Should a Pillar choose to work in ‘collaboratives’ (it seems feasible to have 2-3 collaboratives within one Pillar), two important questions need to be addressed:

- ? Who will lead the ‘collaborative’? and
- ? How shall we evaluate its progress and outcomes?

## Collaborative's Leaders: a new implementing stakeholder

Each thematic 'collaborative' should eventually acquire a **Collaborative Leader**. The Collaborative Leader is an organisation (not one individual) which is firmly embedded in the work with the core issue in question, in one of the participating countries. The task of the Leader is to coordinate the activities within the collaborative, 'keeping the energy up' and making managerial decisions whenever needed.

It is important that the organisation is well informed about the EUSAIR and its value added. Even more important is that the organisation's own mission and strategy is aligned with the issue – this work should be perceived as natural and valuable for the organisation itself. If it is the case, the organisation can be expected to use own resources, e.g. a part-time salary to the individuals performing the task, travel costs that are anyway in line with the task. This is one of the ways to contribute to the collaborative. It is also a good principle to stick to when framing the collaborative's physical meetings – they should be perceived as valuable for the collaborating organisations to the extent that they contribute in this way.

**The Collaborative Leader as a role** could eventually become a more official role among the other implementers of the Strategy. With their arrival, the EUSAIR "factory" – now producing 'collaboratives' instead of projects – has acquired a real "production line", and our Pillar Coordinators and TSG members can do the work they were meant to do – supervising, guiding, supporting.

An idea emerged that build on an already existing element of the implementing structure – perhaps, at least provisionally, this work can be led **by the thematic experts** – they have good knowledge of the issue, the corresponding policy field, of most noticeable actors and stakeholders and, possibly, sources of funding. Subsequently, as the 'collaborative' matures, this responsibility should be handed over to **a suitable institution** that is well-positioned (both policy- and action-wise) in the field that the 'collaborative' works in.

## Collaboratives: Monitoring and Evaluation

The other question to be addressed has to with **Monitoring and Evaluation** of our new formats. Since our "production" now happens in the collaboratives, it is their outcomes that become the *real outcomes* of the EUSAIR (returning you to Level IV of our EUSAIR system chart). Here, too, we could do with a mindset shift.

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 the Pillars' performance. To make it "worse", there are no visible/tangible outcomes to evaluate externally, while a strategy is in Phase I of its development<sup>13</sup>.

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<sup>13</sup> Referring to the Study of Macro-Regional Strategies and their links with Cohesion Policy, 2017, known as "the COWI-study"

While in Phase I (and initially, Phase II) the focus of the Pillar activity lies in the field of **building internal implementation capacity** of individuals and their institutions involved in structuring and managing the Pillar. 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. On the other hand, the sooner we expand our formats from projects to ‘collaboratives’, the sooner we can work out more tangible targets and indicators connected to ‘collaboratives’ and not only projects.

**The COWI-study** (mentioned in the footnote) took stock of the EUSAIR’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 collaboratives and the Pillars. Here are some examples of the two types of indicators<sup>14</sup>.

#### **EUSAIR Content achievements (thematic progress)**

- More policy dialogues across countries (87% of respondents)
- Increased cooperation on major issues in the macro-region (85%)
- Increase in generation of ideas for specific projects/activities/actions (72%)
- Increase in implementation of (regional/EU) policies in the macro-region (41%)
- Increase in mobilisation of finance for projects (39%)

#### **EUSAIR Process achievements (cooperation & coordination)**

- The MRS-process bringing together (new) actors across sectors / cross-sectoral cooperation (91%)
- The MRS-process brings together brings together actors across countries (88%)
- The MRS-process brings together actors across levels (national/regional) and type (public/private) (87%)
- Cooperation with relevant EU Commission Services (% unavailable)
- Increase in cooperation with third countries (in and outside the MRS) (73%)

‘Collaboratives’ will consist of a variety of formats, some of them projects (and we know how to evaluate them), others less specific - but even those can have their indicators, both quantitative and qualitative.

Here are some process-indicators that you might consider for your ‘collaborative’ – please pay attention that most of them are process-related<sup>15</sup> Similar indicators can potentially be developed for monitoring and evaluating the work of the TSGs.

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<sup>14</sup> The COWI-study, pp. 73-76 (at the time of the study the data was available only for Pillar 4, few content achievements were made as the Strategy was too young, 2017)

<sup>15</sup> The example comes from the EUSBSR, the collaborative/flagship “Shool2Work” and its format called “Thematic Working Group” (TWG); policy Area Education

**Figure 10. Possible Indicators for the level of ‘collaborative’ (borrowed from the EUSBSR)**

Possible indicators (TWG-related: HOW)					
Level of Impact / Effect	Action Plan (What/Thematic)	Level of Stakeholders	Level of Activities	Level of Outcomes	Level of Results
<p><b>Number of TWGs</b> in the flagship</p> <p><b>Stable performance of TWG</b> (continue producing desired outcomes)</p> <p><b>TWGs have inherent ‘staying power’</b> regardless of funding availability (e.g. participants invest in their travels for physical meetings)</p>	<p>e.g. EU 2020 benchmark on early school leavers</p>	<p>Stakeholders are <b>relevant</b> to the issue</p> <p>Stakeholders represent <b>various levels</b> and/or <b>spheres</b> of society</p> <p><b>All member states</b> are represented</p> <p>TWG members <b>become members of the flagship</b></p>	<p><b>Number of TWGs</b></p> <p><b>Process leaders</b> are recruited and trained</p> <p><b>Number of TWG meetings</b></p> <p><b>Policy dialogues take place</b> in all the member states, and level of dialogues</p> <p><b>Number and quality of facilitated study visits</b></p> <p><b>Number of support workshops</b> in the process</p>	<p><b>Quality assessment of TWG</b> (terms of reference exist)</p> <p><b>Participants’ satisfaction</b> with the level of <b>own engagement</b> and <b>co-creation processes</b></p> <p><b>Number of methods</b> processed and co-created</p> <p><b>Number of policy recommendations</b></p> <p><b>Number of project ideas and partnerships</b> generated</p>	<p><b>Database of methods and practices</b>, regularly updated</p> <p><b>Policy recommendations are delivered</b> to policy levels</p> <p>Participating organisations report that they <b>use produced outcome for own benefit</b></p> <p><b>External dissemination evident</b> in the member states</p> <p>Initiated projects <b>are funded</b></p> <p><b>Number of visitors to website</b></p>

Developing a system for monitoring and evaluation of ‘collaboratives and supporting the Pillar Coordinators in aggregating the values could become another function of the Facility Point – should the Pillars choose this format.

## Facility Point: what support will we need?

The Facility Point is to raise the capacity of the public administration bodies for implementation of the EUSAIR, by way of strategic macro-regional project development, mobilization of funds, developing a Monitoring and Evaluation (M&E) framework, mobilizing stakeholders and raising public awareness through communication.

More specifically, at present, the Facility Point

1. Assists the TSGs by procuring and paying for thematic and M&E expertise to be used in the Pillars, organising and paying for Pillar-related events, developing Pillar progress reports and facilitating organisation of and paying for TSG meetings and related travels
2. Facilitates development of strategic macro-regional projects (both mono- and cross-Pillar), pays for project development of carefully selected labelled projects; organises project development workshops, and facilitates financial dialogue at the macro-regional and national levels
3. Develops the EUSAIR M&E framework and pays for M&E expertise to be employed in the Strategy
4. Develops and maintains the Stakeholder platform
5. Organises all of the EUSAIR information and communication work: promotion materials, online campaigns, newsletter, website updates, publications, press conferences.

Reflecting on the scope and amount of work assumed by the Facility Point, we may conclude that a whole bulk of performance-related functions are concentrated around the Facility Point. In a way, for our present-day “project factory” the Facility Points becomes vitally important – not only it ‘assists’ the TSG as ‘production units’, it assumes most of the ‘project production’. Our “project factory” becomes totally dependent on well-functioning Facility Point, which, paradoxically, makes the EUSAIR **very vulnerable in the long run**. Having said that, framing the Facility Points’ contribution in this way seems natural and maybe even the only way possible *under the present assumptions* and in the short run – we have invested heavily in project production in hope that our “factory” will show quicker results.

However, the results have not yet materialised – sometime in the future the system will provide feedback on how good this investment was. As designers, you should be aware of potential risks this situation creates for the future: The Facility Points are *projects themselves* – what happens with the implementation once the project is over in less three years? With the investment means available, how should we design the Facility Point to become **a true strategic enabler** of the implementing stakeholders?

Another question is: engaging *external expertise* in project development, M&E, thematic expertise – in **what ways does it actually build up our own capacity** to implement and produce whatever results we choose to focus on? Once the experts are gone, how much is the residual value of their work stays with the implementing stakeholders (both individuals and institutions)? Will they be able to produce results by themselves? Where has the learning occurred? Put simply, we have ‘outsourced’ our potential learning and have no plan yet to bring it back. In a way, we might have put most of our eggs in one basket.

Looking into the future in the light of this crucial vulnerability, we should ask even more important questions:

- ? How shall we internalise expertise?
- ? Where does actual learning happen in our implementing institutions?
- ? How can we make it a sustainable resource for future implementation?
- ? How can we build-in our own capacity to strategize, design, engage, carry out and communicate?
- ? What must we keep and what can we ‘outsource’?

The Facility Point is to run for another three years; we recommend that the EUSAIR implementors spend these two years pondering on these questions and planning for building ‘in-house’ implementation capacity to a maximum extent.

Having said that, the Facility Point will be very much needed in this complex environment – what roles should it play if the EUSAIR starts to expand its Strategy Modus Operandi and aim at more strategic Outcomes? What balance do we want to have between the main implementors and the assisting function – in what baskets shall we put our precious eggs in the future?

Scoping the future role of the Facility point and looking for balance, we may want to pursue two lines of thought:



- Assigning less important functions to the Facility Point (i.e. meeting and travel arrangements, technical support/maintenance of the Stakeholder platform, even management), and what it would mean to the other implementing stakeholders
- Entrusting the Facility Point with a more strategic role – that of the system guardian, the one who is able to see the system in action, collecting single-, double- and triple loop feedback, reporting it back to the system and facilitating the learning and further development.

Depending on your choices, the Facility Point's own capacity will need to be brought to correspondence with the role.

## Call for continuous inquiry-in-action: the key to institutional capacity of the EUSAIR

This brings us to the final chapter of this review in which we would like to encourage you to actively pursue a system learning agenda. In this paper, we have undertaken an attempt to see the EUSAIR as a complex multi-agent system – and saw how the system can learn from seeing itself in action.

Experience of the four Macro-Regional Strategies has clearly shown one thing – the MRS is a phenomenon much more complex than we thought when we started. Most of us assumed that it can be 'managed' as an administrative task – once we develop a clear governance process and roles (you have very smart roles!) the Strategy will deliver outcomes. We soon realised that the three NOs-set up was in the way of our performance while we have no experience of aligning funding and very little experience of macro-regional collaboration as such, considering the disparities of the macro region.

Suddenly, our agenda exploded – and the mission maybe seems impossible to some of us right now. For what it's worth – you are a part of exiting work that Europe is doing through the Macro-Regional Strategies, we may even say that Europe is reinventing itself. In this 'labour' almost of our habitual ways get questioned, important and obvious ideas get re-visited (i.e. democracy, sovereignty, human rights, international cooperation), institutions and even governments change shape and act strange. And we as humans are totally in-over-our heads. So how shall we manage in this crazy world?

By staying as calm as we can, amidst the ongoing storm.

By trying to observe and make sense of what is going on and what it can imply for us.

By stopping once in a while, to check with one another: what do we mean by 'implementation', 'outcomes', 'resources', 'communication', 'capacity'?

By reflecting in a maximum honest way, on our own actions and choices, ideas and assumptions, on our approaches and structures we build.

By not forgetting the big WHY we are in it in the first place, what value the Strategy brings to the region – that value will guide your choice of priorities and format for delivering it.

By seeing the whole system – as it is – and asking yourselves: is the Strategy legitimate in the eyes of the citizens, including ourselves, or are we going astray?

No one has run macro-regional strategies before us – so who could blame us for ‘doing it wrong’? Appreciate yourself, your colleagues, your efforts and your outcomes no matter how small they appear to you right now.

And your achievements are not that small at all.

- ⇒ The Strategy has moved from mono-Pillar space to cross-Pillar space – which directly increases the number of perspectives applied and bed for a considerably larger impact.
- ⇒ The Strategy has started to move from solo projects to a number of larger-impact formats such as Master plan, Macro-Regional Contingency plan, chains of projects.
- ⇒ The TSGs have moved away from labelling external projects and become an instrument for the aligning of national priorities into coherent macro-regional priorities – thus making the Strategy a worthy strategic conversation partner for the ESIF programmes

What remains is figuring out even ‘smarter’ ways to

- ! align actions with policy – and develop the policy field,
- ! bring together in collaborative practices all the levels of governance as well as the sectors and forces of civil society,
- ! pull together funding possibilities for solving our common challenges and pursuing common opportunities, and
- ! engage all collaborators in communicating the experience of the EUSAIR as one region with one common future that people create together.

As our Interact colleagues wisely put it, to pep one another – Keep calm and implement!