Achieving Cross-Border Government Innovation

GOVERNING CROSS-BORDER CHALLENGES

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OPSI is a global forum for public sector innovation. In a time of increasing complexity, rapidly changing demands and considerable fiscal pressures, governments need to understand, test and embed new ways of doing things.

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The MBRCGI was established to cultivate a culture of innovation within the government sector through the development of an integrated framework.

The MBRCGI aims to make innovation one of the key pillars of the UAE Government, in line with the vision of H.H. Sheikh Mohammed Bin Rashid AlMaktoum, UAE Vice President, Prime Minister and Ruler of Dubai, to enhance governmental operations and the country's competitiveness by making the UAE Government one of the most innovative in the world and promoting a digital, knowledge-based economy.

The MBRCGI aims to strengthen the UAE's innovation ecosystem by experimenting with new approaches and building capabilities and networks, thereby enriching the culture of innovation and spurring innovation locally, regionally and internationally.

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Alexander Stubb

Professor and Director at the School of Transnational Governance at the European University Institute. Former Prime Minister, Finance Minister and Foreign Minister of Finland (2008-16)

We human beings have a tendency to do three things. First, we over-rationalise the past. We try to understand what happened by creating intellectual constructs on given events or periods in history. Sometimes we get it right, or at least we think we do; at other times we are far off the mark.

Second, we have a tendency to over-dramatise the present. Any given crisis, short or long, is perceived as the beginning of the end. We often blow matters out of proportion in order to make our narratives sound more convincing, although this frequently has the opposite effect. Such melodrama has a place in entertainment, but less so in serious discourse. We also have a remarkable capacity to forget yesterday's crisis as we move onto the next.

Third, and probably most important, while we over-rationalise the past and over-dramatise the present, we underestimate the future. The report in your hands intends to avoid this pitfall. It is future-oriented. More importantly, it is an attempt to see through the daily noise and try to understand and explain the complex world of transnational or cross-border governance. It does so successfully.

Ever since the Peace of Westphalia we have ratio the supreme entity of governance. Each state has aries, identity, culture, language, and sovereignty territories. But situations evolve – sometimes dra incrementally. Even the most ardent advocate of

admit that the state has a limited capacity to govern in a world where the biggest challenges we face – from climate change to health inequalities – do not respect boundaries.

This does not mean that the state should be declared null and void; quite the opposite. The governance pendulum tends to oscillate between the state and the market. Just think about it. After the end of the Cold War market capitalism prevailed – institutions were liberated and in many cases privatised. This is unsurprising: ideological overkill is a normal reaction when systems change. With the fall of Communism, the state was no longer seen as the place to seek efficient governance.

But an examination of megatrends in the 2000s shows the pendulum moving back towards the state. The initial impetus following 9/11 was security. Then the financial crisis introduced stricter regulation and a more aggressive monetary policy. The ensuing migration crisis saw the closure of borders, not least in Europe. However, the recent COVID-19 pandemic has brought with it the realisation that governance is not a binary choice. Both the state and the market have a role to play in achieving optimal forms of governance – whether in health, the development of vaccines, procurement or distribution. The public sector has the capability to be as efficient as the private sector, just as the private sector can be as inefficient as the public sector is often perceived to be.

Enter transnational and cross-border governance. In order for us to find functioning forms of governance we have to begin by understanding that it is not a matter of "state or market", it is a matter of "state and market".

Today's challenges extend beyond borders as much as they cross borders. For this reason, governance should be understood as a collective effort. Decision making is not the sole purview of the government, the civil service, academia, media, civil society or corporations. It is a collective endeavour. Once we admit this we can begin to address the challenges of transnational

tion (OPSI) and the
Innovation (MBRCGI) are
, and this report is a vital
estimate the challenges of
level-headed assessment
hort, essential reading.

Introduction

Since the onset of the COVID-19 crisis, governments around the world have unleashed a torrent of innovation at a pace and scale not seen in generations. Faced with no choice but to act, they have compressed years of progress into weeks and months, as identified last year by the OECD Observatory of Public Sector Innovation (OPSI) and the UAE Mohammed Bin Rashid Centre for Government Innovation (MBRCGI).[1] The ongoing crisis has made two things tremendously clear: the public sector is critical to ensuring the stability and wellbeing of society, and governments *can* rapidly and radically transform themselves to respond to shifting needs (OECD, 2020c).

1 See https://oe.cd/c19-innovation.

However, the crisis has also exposed several shortcomings and even threats to long-standing democracies. While the pandemic triggered a boost in confidence in the public sector (Edelmen, 2021; Goldfinch, Taplin and Gauld, 2021), only 51% of people in OECD countries trust their government (OECD, 2021e). The crisis has also highlighted a lack of preparedness among governments to tackle global challenges, with dedicated institutions tasked with identifying novel, unforeseen or complex crises in place in only half of OECD countries as of 2018 (OECD, 2018a). While governments have been quick to course correct by rapidly developing new responses, a lack of planning and foresight remains a concern.

At a global level, the pandemic has shown how the increasing interconnectedness of countries may have made the world more vulnerable to common threats, and has exposed weaknesses in international co-operation. Major challenges such as COVID-19 and others like climate change are not limited by jurisdictional borders, and demand collective action across countries and policy fronts. Collaboration among governments on these and other issues has many precedents, as covered by OECD work,[2] and these efforts continue to yield tremendous public value. However, the current context calls for exploring innovative approaches that may yield lessons and new ways of doing things for which the full potential has yet to be realised, even if there are more unknowns and risks to navigate compared to proven co-operation approaches, as is typical with innovation. In general, however, public sector innovation efforts are largely confined to the borders of a single country or jurisdiction. Those cross-border innovations that do exist tend to be in their infancy.[3] Why is collaborating across borders not happening more often? And how can we break this paradigm?

Over the last year, OPSI and the MBRCGI have worked in partnership to determine which set of innovative public sector practices can best support collaboration among countries and jurisdictions to tackle cross-border issues, defined here as "cross-border government innovation". In this context, the concept of "cross-border" has been defined broadly; for instance, some efforts, such as those in borderland areas, focus on the border itself as a unit of analysis characterised by border-generated processes that can help or hinder cross-border collaboration (Baud and Van Schendel, 1997). Other efforts focus less on border dynamics and instead work to bring together multiple countries as collaborative members of the same extended innovation system. Furthermore, the research also considers innovative efforts that involve collaboration across jurisdictions, even within the same country. All of these efforts are valuable and can generate important lessons for governments on how to collaborate with those outside of their immediate sphere. This work continues the long-standing partnership between OPSI and the MBRCGI, which has analysed thousands of innovation initiatives and published a series of reports on leading trends.[4]

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2 The OECD has a number of workstreams focused on cross-border co-operation, including International Regulatory Co-operation (https://oe.cd/irc), regional innovation reviews and studies (https://oe.cd/il/reg-innovation, https://oe.cd/irl-innovation), development co-operation (https://oe.cd/dev-coop) – including for climate resilience (https://oe.cd/climate-resilience), understanding transboundary impacts of public policies (https://oe.cd/xboundary-impacts), formal recommendations on cross-border co-operation in the enforcement of laws against spam (https://oe.cd/rec-spam) and protecting privacy (https://oe.cd/rec-privacy), and cross-border governance arrangements for science, technology and innovation (https://oe.cd/il/xborder-sti).

3 See OPSI/MBRCGI case studies on the world's first Data Embassy between Estonia and Luxembourg at https://oe.cd/data-embassy and the Intellectual Property Global Artificial Intelligence Network (IP GAIN) initiative spearheaded by Australia in https://oe.cd/seamless-gov.

4 See https://trends.oecd-opsi.org (2020), https://trends2019.oecd-opsi.org (2019), http://oe.cd/innovation2018 (2018) and https://oe.cd/eig (2017).

Figure 1: Key inputs for cross-border innovation efforts

104 Cases from Call for Innovations	**131** Cases from extensive research	**141** Workshop experts from 43 countries

To understand key approaches and conditions for enhancing cross-border government innovation, OPSI and the MBRCGI have conducted extensive research, held a global Call for Innovations crowdsourcing exercise,[5] and conducted a series of open global workshops with multi-disciplinary practitioners and leaders to identify challenges and success factors for cross-border innovation (see Figure 1).

Although cross-border government innovation efforts are more limited in number than other types of public sector innovation, they represent tremendous potential for systemic change at scale not possible through governments acting alone. Visionary teams with far-reaching perspectives have designed and implemented systemic, cross-border initiatives that are delivering results. OPSI and the MBRCGI have identified a number of leading modes of cross-border innovation, as well as key examples that illustrate their potential for change and underlying challenges and success factors. Over the next several months, a series of three reports will be

published each focusing on a key mode of cross-border government innovation, covering the initial findings. Based on these, OPSI intends to work with experienced experts and practitioners to co-create a playbook on cross-border government innovation in order to further help governments pursue these types of efforts.

The first report in this series addresses **governing cross-border challenges**. Set up to establish a separation between administrative entities or areas, borders by their nature may limit or complicate the ability of jurisdictions to collaborate. Many issues facing governments are increasingly complex and transboundary in nature, making existing public sector structures and approaches unsuitable for their management. OPSI/MBRCGI research has found that governments are leveraging new governance mechanisms to connect and collaborate in order to tackle issues that cut across borders. Governance arrangements with innovative elements can act as enablers of cross-border government collaboration and assist in making it more systemic.

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5 https://oecd-opsi.org/innovation2021.

This work has led to the identification of three leading governance approaches and associated case studies:

Building cross border governance bodies

Creating formal top-down or centre-out structures to harness the collective efforts of actors divided by existing borders.

Kvarken Council (Finland and Sweden)

The first distinct legal cross-border entity in the Nordic region which leverages cross-sector collaborative methods to drive future-oriented opportunities in transportation and infrastructure.

Innovative networks tackling cross-border collaboration

Developing horizontal, often informal and ground-up structures, to allow for the organic convergence of ideas and expertise across borders.

Open European Dialogue (Europe)

A network of parliamentarians across Europe where members from different countries and opposing parties collaborate through experimental dialogue methods to foster shared learning in polarised environments.

Exploring emerging governance systems dynamics

Pioneering holistic new governance systems to foster entirely new ways of working together across borders.

Case Study: Borderlands Inclusive Growth Deal (England and Scotland, United Kingdom)

A governance system spanning Northern England and Southern Scotland that has secured GBP 452 million in co-funding, allowing for a unified approach to inclusive growth to secure the long-term success of the region.
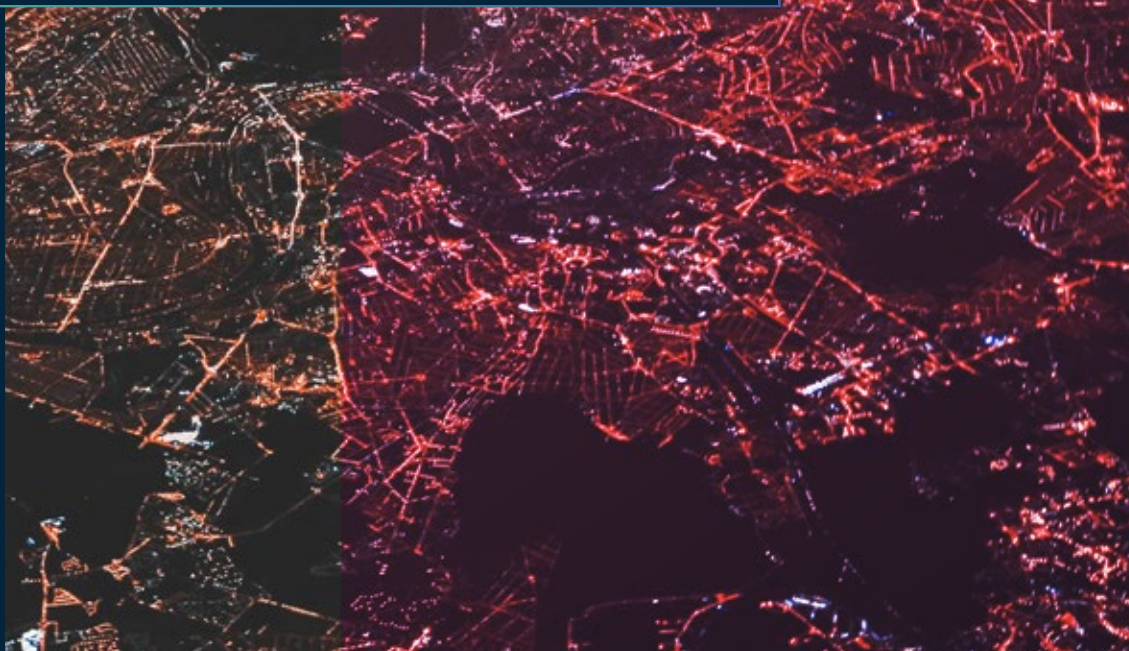
Key challenges

Addressing mutual needs

Navigating different administrative boundaries and frameworks

Understanding and distributing the costs and benefits of cross-border efforts

Building trust

Obtaining funding

Key success factors

Political support and strong leadership

Agreeing on a common mission/strategy/structures

Strong stakeholder engagement

Clearly defined roles

Focusing on areas with common challenges

These case studies alongside workshops and research and analysis of Call for Innovations submissions as well as case studies of international regulatory co-operation[6] have surfaced key challenges and success factors in cross-border government innovation. Key examples are shown on this page, with more addressed in the report.

The efforts identified in this report are commendable and may represent the early stages of a shift towards a new stage in the evolution of public sector innovation, where governments devise approaches to working across borders much as they have done for bureaucratic siloes. Based on this research, and closely in line with best practice principles on international regulatory co-operation (OECD, 2021f), five key recommendations have been identified for governing cross-border challenges.

6 For example, see OECD reports on International Regulatory Co-operation: Case Studies, Vol. 2: Canada-US Co-operation, EU Energy Regulation, Risk Assessment and Banking Supervision (https://oe.cd/il/irc-cases-2), and International Regulatory Co-operation: Case Studies, Vol. 1: Chemicals, Consumer Products, Tax and Competition (https://oe.cd/il/irc-cases-1).

Key recommendations

1. Secure political and leadership commitment and advocacy from the highest levels of government.
This is critical for achieving priority status, influencing decision making, building confidence, gaining momentum, securing funding and ensuring that the necessary support and innovative structures are in place for sustainable and successful initiatives.

2. Pursue cross-border efforts only where these make sense and involve all stakeholders in establishing a clear vision and strategy for cross-border collaboration.
The pursuit of cross-border efforts should only be undertaken when a challenge can be better addressed collectively than individually, and when incentives to collaborate already exist or can be put in place. Once such areas are identified, all partners should agree collectively on a vision and strategy with concrete objectives.

3. Ensure structural enablers are in place and explore relevant systems dynamics that can better connect partners and collectively guide work.
A system consists of elements linked together by dynamics that produce an effect. Creating or changing the dynamics of a complex system requires new ways of approaching problems. Consider putting in place elements like tailored governance bodies to facilitate vision and strategy development, and dedicated teams to carry out the work, in order to allow for a systems-wide approach. Explore new systems dynamics (e.g. co-funding, collaborative governance, joint services) to forge tighter bonds among players and facilitate joint action.

4. Share costs and benefits related to collaboration, and be aware that benefits may take time to be realised and may not be distributed equally.
Cross-border government innovation efforts should involve give and take from all partners, albeit with an understanding that the latter may take time to emerge and may be unevenly distributed. The goal should be a net benefit for all partners when compared with the costs of not collaborating.

5. Be a good partner and build trust by fostering strong relationships over time.
Cross-border government innovation involves building mutual understanding, sharing power and decision-making, being transparent about motives and expectations, and being willing to accept and work within the structures and processes of other partners. Governments need to invest time in fostering sustained relationships to allow partners to see each other's strengths.

As discussed in the chapter *Unpacking findings and lessons*, many of these core challenges and success factors relating to governance, along with the resulting recommendations, are relevant to more than just cross-sector government innovation projects and may be applicable to broader cross-border efforts. However, the findings, examples and case studies in this report seek to show how these challenges, success factors and recommendations can be addressed in innovative ways, while the forthcoming Playbook will capitalise on these findings and lessons to provide practical advice and identify key tools and resources that can help facilitate governance of cross-border government innovation.

Building cross-border governance bodies

Government organisations are typically designed and structured to focus on singular policy issues or narrow subject domains applying a linear problem-solving logic. However, complex issues or those spanning the remit of multiple organisations, jurisdiction or countries require rethinking existing problem-solving mechanisms and governing structures. To address these challenges, governments and their partners are increasingly creating new governance bodies to manage issues that span borders. These entities vary in their level of formality, legal mandate or scope, and their operating architecture and processes, but their objective remains the same: the creation of structures to co-ordinate and harness the collective efforts of actors divided by existing borders.

Cross-border collaboration is challenging as it involves actors who are accountable to and operate within different jurisdictions and might have limited or no experience of working together (Hirvikoski et al., 2020). A joint governance body or secretariat can facilitate building a common understanding of the needs and context at hand, and can help in leading or co-ordinating the creation and implementation of an overarching vision (OECD, 2013a). Whether innovative in their approach or in seeking innovative ends, such bodies provide top-down or centre-out direction and facilitate relationships among relevant institutions and people (OECD, 2021a). The efforts identified through this work find that governments are engaging with governance bodies at transnational levels to tackle global issues, as well as at *intra*national levels to ensure coherence domestically. Going forward, structured cross-border governance bodies will be increasingly important for achieving mission-oriented innovation (Box 1),[7] and hold promise for the potential of global cross-border missions (Mazzucato, 2019), such as the European Green Deal.[8]

7 OPSI provides a number of resources for promoting mission-oriented innovation, including a Mission Design Canvas and virtual workshop (https://oecd-opsi.org/remixing-the-mission-design-canvas) and an OECD Mission Action Lab (https://oecd-opsi.org/projects/mission-oriented-innovation/#missionactionlab), which advises governments in defining, setting up and governing large-scale missions.
8 https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en.

Box 1: Mission-oriented innovation

Mission-oriented innovation tackles complex challenges by taking a purpose-oriented market-shaping approach: the public sector adopts an active role in convening and co-ordinating actors around complex, cross-sectoral issues that cannot be solved by individual actors alone. A measurable, ambitious and time-bound mission is derived from the challenge, for example, becoming carbon-neutral by 2030. The challenge, however, is operationalising the ambitions associated with mission-oriented innovation in practice. Top-down or centre-out governance bodies can assist in orienting and operationalising efforts.

Source: https://oecd-opsi.org/projects/mission-oriented-innovation.

Driving innovation through transnational governance bodies

Previous OECD research[9] has found that governments can collaborate across borders through a variety of formal and informal mechanisms, including supranational bodies such as the European Union and intergovernmental structures like the OECD and the G20 (OECD, 2018b, 2013b). Such entities provide opportunities to co-operate on a large scale, and have functioned as the main institutional bodies used to plan multilateral efforts over the past century (OECD, 2016b, 2013c). They offer platforms for continuous dialogue, establish a common language, facilitate the comparability of approaches and develop international policy instruments. Governments are indeed leveraging their participation in these inter-governmental bodies to collaborate towards finding solutions to global issues. For example, the International Telecommunication Union (ITU)[10] and the Government of the UAE are partnering to build the International Centre of Digital Innovation (I-CoDI), with the aim of working across borders to "connect the unconnected and to catalyze technology and innovation to address the Sustainable Development Goals".[11]

This research on cross-border government innovation has also uncovered cases of governments engaging in new types of governance bodies and arrangements that are often less structured and at times linked more strongly to pressing global needs. This ties in with longstanding research by the OECD which shows that international co-operation is associated with particular areas, such as those that involve global "goods" (i.e. cross-cutting opportunities) or global threats that must be dealt with collectively (OECD, 1994).

The response to the most acute global threat in generations, the COVID-19 pandemic, has triggered the rapid creation of new governance bodies. For instance, the COVID-19 Global Evaluation Coalition – a partnership of 42 bilateral and multilateral organisations (including 22 countries) with the OECD serving as secretariat – was launched in June 2020 (OECD, 2020a).[12] Its mission is to provide evidence to inform international co-operation supporting responses to and recovery from the COVID-19 pandemic in developing countries. Its commitment from all members to support collaborative work and its goal to provide real-time evaluation of responses represent a novel spin on classic roles of analysis and sharing best practices. Another initiative, the Access to COVID-19 Tools (ACT) Accelerator,[13] which cites inspiration from the "overview effect",[14] is a ground-breaking global collaboration led by the World Health Organisation (WHO) to accelerate development, production and equitable access to COVID-19 tests, treatments and vaccines. It brings together governments, scientists, businesses, civil society and global health organisations on an unprecedented scale as equal players to speed up an end to the pandemic. Regional cross-border efforts have also been developed, such as the COVID-19 African Vaccine Acquisition Task Team (AVATT), to support the rollout of the African Union's African Vaccine Strategy (OECD, 2020a, 2021b).

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9 www.oecd.org/gov/regulatory-policy.
10 The ITU is the United Nations specialised agency for information and communication technologies. It was founded in 1865 and maintains a current membership of 193 countries and 900 companies, universities, and international and regional organisations.
11 https://www.itu.int/en/ITU-D/Pages/I-CoDI.aspx.

12 www.covid19-evaluation-coalition.org.
13 www.who.int/initiatives/act-accelerator.
14 "The overview effect is a cognitive shift in awareness reported by some astronauts during spaceflight, often while viewing the Earth from outer space... From space, national boundaries vanish, the conflicts that divide people become less important, and the need to create a planetary society with the united will to protect this 'pale blue dot' becomes both obvious and imperative" (https://en.wikipedia.org/wiki/Overview_effect).

> "A strategy of every man for himself cannot defeat an unchecked virus. And yet that is exactly what some countries seem to be doing – attempting to hide behind borders the virus doesn't recognise…and ignoring calls for greater international co-operation. The beauty of a global response to a global pandemic is that it is far cheaper than the alternative because it can shorten the lifespan of the pandemic. And that is in the national self-interest of every country in the world."

Gayle Smith, Co-ordinator for Global COVID Response and Health Security at the U.S. Department of State; Former President and CEO, ONE Campaign (OECD, 2020a)

Interestingly, innovative bodies once set up at the international level are often not led by the public sector itself, with governments opting to take a more participatory role as one equal player among others, with the potential to respond by making changes internally. Examples include the Good Health Pass Collaborative and Ransomware Task Force, as discussed below. This aligns with OECD research which has found that while cross-border governance of topics like technology and innovation involve some delegation of policy making to the international level (OECD, 2016a), successful cross-border collaborations tend to support existing sources of resilience rather than the creation of new structures (OECD, 2020a). For instance, in the case of the COVID-19 Global Evaluation Commission, cited above, the body consists of governments and other institutions, but policy actions generally need to be folded into government processes. In fact, many or perhaps most transnational governance bodies do not have the mandate to actually implement change on their own and must rely on national governments to make it happen (Miörner et al., 2018). The approaches identified through OPSI and the MBRCGI's work attempt to cover both governments' promotion of new transnational bodies and their continued adjustment of existing structures to make cross-border collaboration possible on the ground.

The COVID-19 pandemic has led to the formation of new bodies that are innovative both in terms of their structure and the solutions they are proposing. The Good Health Pass Collaborative,[15] for example, is an international cross-sector initiative led by ID2020.[16] The Collaborative has brought together more than 125 companies and organisations from across the health, travel and technology sectors to establish standards for digital health passes aimed at restoring international travel. In August 2021, following an open co-creation process that took into account the complex ecosystem of global actors (Figure 2), the Collaborative released the *Good Health Pass Interoperability Blueprint*,[17] which proposes a new set of interoperability specifications which, as they are adopted, will allow airlines and governments to verify travellers' COVID status (proof of vaccination, testing and recovery), while simultaneously ensuring that core principles – such as privacy, security, user-control and equity – are protected. Instead of supplanting the web of existing travel documentation requirements, the collaborative seeks to support interoperability among existing and emerging solutions. Its governance's model includes a steering committee and working groups, which are designed to ensure that no single group dominates the conversation. While initiated by civil society and the private sector, programme leaders are working to engage with strategic public sector bodies (e.g. the EU, G20, several national governments).[18] These efforts match OECD findings that international collaboration is needed to streamline border processes (OECD, 2021d), and that cross-border efforts tend to be most successful where technical standards exist (OECD, 2013b). This example serves as a cross-border collaboration to build out technical standards upon which future cross-border efforts can be built.

> "To be valuable to users, credentials need to be accepted at check-in, upon arrival by border control agencies, and more. We can get there – even with multiple systems – as long as solutions adhere to open standards and participate in a *common governance framework.*"

Dakota Gruener, Executive Director of ID2020

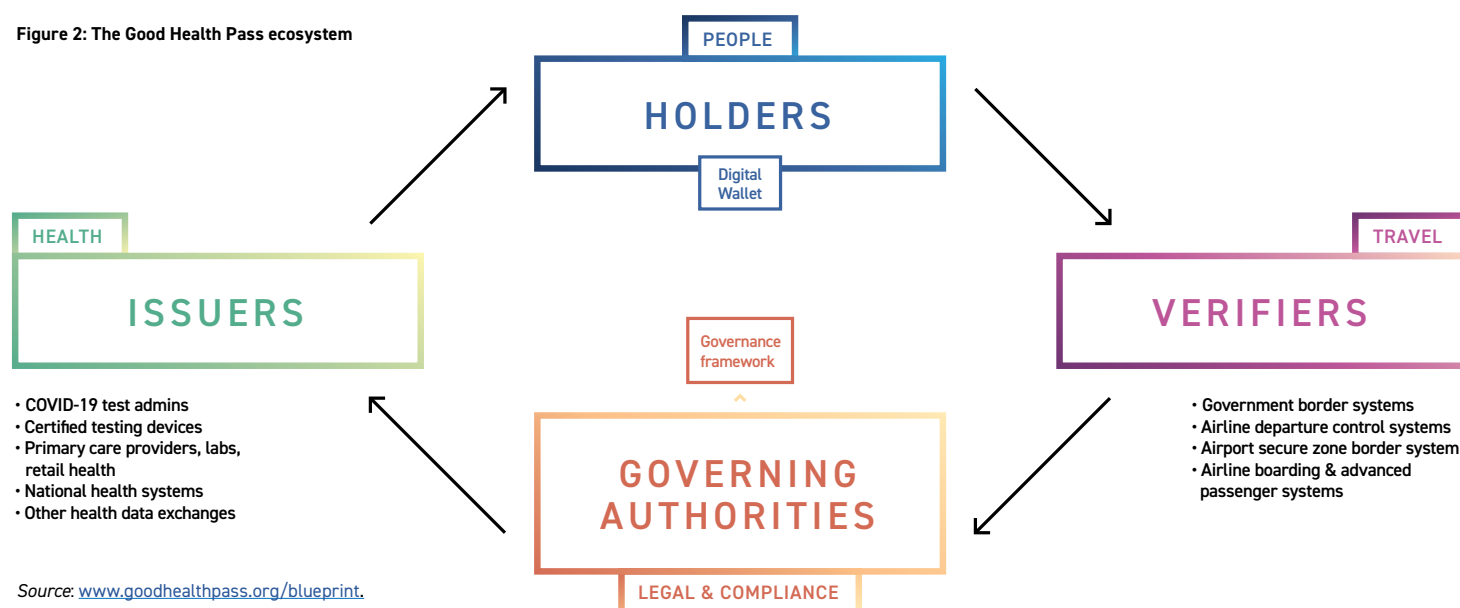---

15 www.goodhealthpass.org.
16 See https://id2020.org and https://oecd-opsi.org/innovations/id2020-alliance.
17 www.goodhealthpass.org/blueprint.
18 Interview with Ethan Veneklasen, Head of Advocacy and Communications at ID2020, 27 July 2021.

Figure 2: The Good Health Pass ecosystem

PEOPLE

HOLDERS

Digital Wallet

HEALTH

ISSUERS

- COVID-19 test admins
- Certified testing devices
- Primary care providers, labs, retail health
- National health systems
- Other health data exchanges

Governance framework

GOVERNING AUTHORITIES

LEGAL & COMPLIANCE

TRAVEL

VERIFIERS

- Government border systems
- Airline departure control systems
- Airport secure zone border system
- Airline boarding & advanced passenger systems

Source: www.goodhealthpass.org/blueprint.

Aside from COVID-19 response, governments are engaging with innovative cross-border governance bodies that support global public health in cross-cutting ways that cannot be fully addressed by individual governments acting alone.[19] A key effort here is the One Health Commission,[20] a "collaborative, multi-sectoral, and transdisciplinary approach – working at the local, regional, national and global levels – with the goal of achieving optimal health outcomes" (Amuasi et al., 2020). The body is innovative in scope encompassing many fields and actors in its efforts to promote cross-border, multi-disciplinary collaboration on global health issues, and also has a broad membership spanning multiple sectors including government.

Another global threat that has triggered an innovative response among governments is cybercrime, with cross-border bodies working to combat threats in cyberspace, which knows no borders. The OECD's 2019 Recommendation of the Council on Digital Security of Critical Activities[21] calls for governments to work together to address these growing digital security threats, by "supporting cross-border collaboration for, and information sharing on, public-private research and development for digital security". An excellent example of this newly emphasised modality is the Ransomware Task Force, convened by nonpartisan think-tank the Institute for Security and Technology (IST).[22] Ransomware attacks are increasing rapidly, with losses to organisations projected to reach USD 20 billion in 2021 alone (Curry, 2021). The Task Force was created in early 2021 to help address this threat, with over 60 collaborators from national governments (e.g. Canada, US, UK), sub-national governments, tech companies, NGOs and academic institutions from across the world. It has the dual

aim of deterring criminal actors while equipping organisations to prepare and respond. In May, the Task Force issued a report with 48 recommendation constituting a comprehensive framework to address the borderless issue of ransomware (Box 2).[23] Its broad, cross-sector and international approach brings together different actors as equals, and recognises the need to co-create a framework for action.

23 https://securityandtechnology.org/ransomwaretaskforce/report.

Box 2: Ransomware Task Force Recommendations and Framework

- Co-ordinated, international diplomatic and law enforcement efforts must proactively prioritise ransomware through a comprehensive, resourced strategy.

- An internationally co-ordinated effort should develop a clear, accessible and broadly adopted framework to help organisations prepare for, and respond to, ransomware attacks.

- Governments should establish Cyber Response and Recovery Funds to support ransomware response and other cybersecurity activities.

RTF Framework

1. Deter Ransomware Attacks
2. Disrupt the ransomware business model
3. Help organizations prepare
4. Respond to ransomware attacks more effectively

Source: https://securityandtechnology.org/ransomwaretaskforce/report.

19 Such type of cross-cutting issues have been called "Global Public Goods". See https://nautilus.org/gps/applied-gps/global-public-goods/what-are-global-public-goods for additional information.
20 www.onehealthcommission.org.
21 https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0456.
22 https://securityandtechnology.org/ransomwaretaskforce.

Other efforts are also contributing to recognition of the cross-border nature of cyber threats. While not a governance body per se, the Paris Call for Trust and Security in Cyberspace[24] was launched in late 2018 at the Internet Governance Forum.[25] To date, 79 countries and hundreds of private sector companies and civil society organisations have made a pledge to uphold a series of key principles to reduce risks and enhance the stability of cyberspace.

Notably, the Call for Innovations did not surface any innovative cross-border governance bodies created to combat climate change, with the exception of efforts to push for progress on the SDGs more broadly (e.g. Global Councils on SDGs in the next chapter).[26] However, the research did highlight the Global Covenant of Mayors for Climate and Energy for Climate and Energy[27] – the largest global alliance for city climate leadership connecting almost 10 000 cities – as an example with promising potential at a major scale. The Global Covenant has also created innovation-focused initiatives such as Innovate4Cities, which prioritises innovation efforts around city-level challenges and provides municipalities with tools, information and access to partnerships. Mission Innovation,[28] which includes 22 member countries and the EU, works to catalyse action and investment in clean energy, and also serves as a cross-border governance mechanism. In 2021, Mission Innovation entered its "2.0" stage, adopting a more action-oriented approach. While perhaps more traditional in its mission and scope, the Intergovernmental Panel on Climate Change (IPCC)[29] is highly active and serves as the UN's body for assessing science related to climate change. The IPCC provides policy makers with well-regarded reports and scientific assessments on climate change and potential policy options. The IPCC is recognised as the internationally endorsed authoritative body on understanding climate change.

The initial lack of preparedness exhibited by governments in the face of the COVID-19 pandemic has served as a wake-up call regarding the urgent need to act on the well-understood risks associated with climate change (OECD, 2021a). The OECD has developed guidance and checklists for action to help governments navigate the approaches to strengthen climate resilience, most of which focus on the intranational level (Figure 3). A number of international agreements exist, most notably the Paris Agreement,[30] but innovation in climate resilience governance – top-down, centre-out and across borders – could help governments better strengthen resilience and combat climate change in in a more coherent, global manner.

While innovative cross-border arrangements start small and emerge mostly in response to crises or pressing challenges, they may develop in scale and achieve greater integration with routine government practice. For example, the West Africa Health Informatics Team (WAHIT)[31] began life as a team of international software developers that provided on-demand technical assistance to countries during the Ebola outbreak, but has since evolved into a foundational cross-border digital leadership body in the region.

Although many innovative efforts have been prompted by global challenges, governments are also leveraging cross-border governance bodies that prioritise systemic, long-term change, and are tapping into innovative tools and methods (e.g. design-led approaches, co-creating solutions) to achieve their objectives. This appears to be the case especially in regional and borderland areas, where OECD countries and regions have often struggled to promote innovation (OECD, 2013a). The Kvarken Council, discussed as a case study at the end of this chapter, serves as an example here, and also helps to illustrate the territorial dimensions of borderland regions.

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24 https://pariscall.international.
25 The Internet Governance Forum (IGF – www.intgovforum.org) is a global multistakeholder platform that facilitates the discussion of public policy issues pertaining to the Internet.
26 See also https://oecd-opsi.org/innovations/global-councils-on-sdgs.
27 www.globalcovenantofmayors.org.
28 http://mission-innovation.net.
29 www.ipcc.ch.

30 https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement.
31 https://oecd-opsi.org/innovations/west-african-health-informatics-team.

Aspirations

☑ Country
ownership

☑ Inclusive
approaches

☑ Environmental
& social sustainability

Mechanisms

Multi-level
governance &
policy cycles

Sector-level
approaches

Financial
management
& instruments

Monitoring,
evaluation
& learning

Enablers

Data &
information

Awareness
& capacity

Technologies

Source www.oecd.org/development/climate-resilience.

Directing change at home with innovative internal entities

When speaking of cross-border collaboration, the topic is often assumed to only involve efforts that are transnational. However, cities and regions within a country frequently face similar struggles to address challenges in a coherent manner, and the potential impact of bringing together actors from different jurisdictions within a country can be as significant and felt more directly by citizens and residents. OPSI research and the Call for Innovations surfaced Australia, in particular, as a leader in innovative sub-national cross-border approaches, as can be seen in several of the examples below.

As with transnational cross-border efforts, innovative sub-national bodies also seek to address global (or at least national) threats that can be short term in nature, or to put in place mechanisms for systemic change that aim to achieve sustainability over the long term. In regard to the creation of innovative response-driven bodies, the Government of New South Wales has created the Local Government Bushfire Recovery Support Group as a central hub to collect and co-ordinate offers of support from local councils to match them

with areas where firefighting support is needed.[32] During the last fire season, 44 councils participated and responded to 60 requests from areas struggling with fires (Elmas, 2020).

In addition to providing rapid response, *intra*national collaboration and policy coherence can serve as the foundation for successful international efforts and can yield important lessons relevant to their transnational counterparts. For instance, the Sustainable Development Goals (SDGs) offer a blueprint for a better world, but achieving them requires systemic domestic policy coherence as a key component for achieving collective action and frameworks internationally – as well as avoiding negative spill-over effects that can push problems from one side of the system to the other (OECD, 2021c).[33] OECD work on strengthening climate resilience also reinforces country ownership as a key pillar in addressing global issues (Figure 3) (OECD, 2021a). Addressing these issues can be achieved by innovating across sub-national jurisdictions; for example, in Ireland, the government has established four Climate Action Regional Offices to work with local authorities across regions to ensure a co-ordinated and comprehensive response to climate change using a novel risk-based methodology.[34]

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32 www.lgnsw.org.au/Public/Public/News/News-2020/Bushfires_recovery.aspx.
33 See the OECD Recommendation on Policy Coherence for Sustainable Development (https://oe.cd/pcsd-rec).
34 See https://oe.cd/caro for additional details.

Australia's efforts to respond to COVID-19 demonstrate how pressing needs can uncover new ways of working for systemic change. On 13 March 2020, the Australian Government established the National Cabinet as a sub-committee of the Federal Cabinet (OECD, 2020b). Consisting of the Prime Minister and all eight state and territory leaders, the National Cabinet is intended as a platform for leaders to collaboratively address issues of national significance.[35] The Cabinet's first priority is to respond to the health and economic effects of the COVID-19 pandemic, but it continues to broaden the scope of its activity to include additional reform priorities of the Federation. Its success is underpinned by close and frequent discussions between leaders, which facilitate frank and open debate as well as the consistent and timely receipt of up-to-date data and expert advice (Saunders, 2020). This broadened scope of activities has the potential to give the National Cabinet staying power even post-COVID-19, enabling it to become more fully integrated into the everyday business of government.

Australia is also pioneering long-term, systemic change and coherence through a new type of governance body – "Cross-Border Commissioners". Piloted in the states of New South Wales[36] and Victoria,[37] the Commissioners are advocates for cross-border communities, advisers to government departments on collaboration, and champions for cross-border outcomes for people, businesses and government agencies. They work with local, sub-national and national officials, both in their own state and in neighbouring regions, to identify and resolve cross-border issues. The Commissioners have co-ordinated the public health response to COVID-19 pandemic across different agencies, and responded to travel issues that have arisen with different state lockdowns. In so doing, the Commissioners have become one of the first known instances of a formal body established explicitly to navigate cross-border issues at the sub-national level.

These new types of governance bodies hold great potential for more coherent and citizen-centred policies and approaches. Furthermore, by taking steps to get their own houses in order, governments can become better prepared to act and participate in regional, transnational and global governance in meaningful ways (Makkonen et al., 2017; OECD, 2013a).

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35 www.pmc.gov.au/domestic-policy/effective-commonwealth-state-relations.

36 www.regional.nsw.gov.au/our-work/ocbc.
37 http://crossborder.vic.gov.au.
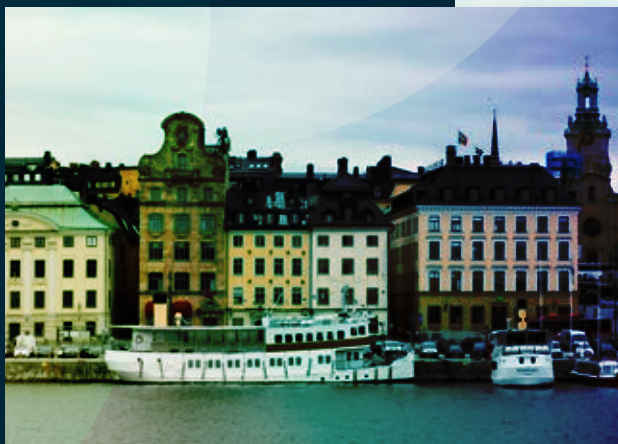
Kvarken Council

(Finland & Sweden)

The Kvarken Council[38] is a Nordic cross-border co-operation body composed of representatives from sub-national governments in Finland and Sweden. Its mission is to leverage the power of cross-border collaboration to stimulate growth and innovation in the Kvarken region and to strengthen the area's international competitiveness, internal connectivity and attractiveness for foreign visitors and investors. Guided by the belief that trust-based collaboration among all actors in the region can lead to great results, the Council aims to involve even the smallest municipalities in its projects so as to stimulate inclusive and environmentally sound economic growth. This is crucial to guarantee that all parts of the region – including its most remote and rural areas – can benefit from improved accessibility, connections and infrastructure, and to ensure that citizens' interests are represented effectively in all cross-border decision-making processes.

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38 The official Kvarken Council website can be found at: www.kvarken.org/en. Unless otherwise noted, the sources for this case study were the Kvarken Council's projects website page: www.kvarken.org/en/project/ and interviews with Mathias Lindström (director) and Johanna Häggman (communications manager) on 26 August 2021.

Context

The Council's history dates back a few decades, but its most innovative efforts and the formalisation of its legal status have all occurred within the last few years. The Kvarken Council was founded in 1972 during the first Kvarken Conference in Vaasa, Finland and later became part of official Nordic border-regional co-operation with financial support from the Nordic Council of Ministers. [39] In its first incarnation, the Kvarken Council took the form of a delegation, but in 2008 became a registered association as the growth of local industries and the intensification of exports strengthened the need for a more formal organisation. At the end of 2020, the Kvarken Council ceased to be an association and became a European Grouping of Territorial Cooperation (EGTC) (see Box 3). This new, stable legal foundation gives the area greater visibility at the national and European level, and also increases funding possibilities, facilitating the realisation and management of innovative cross-border development projects.

Figure 4: The Kvarken region in Sweden and Finland

Source: Kvarken Council.

The border region is characterised by a long history of co-operation, shared culture, a common language and similar geographical features, all of which have led many families and businesses to move and expand across the border. The region is also one of the biggest Nordic energy clusters, with clean energy production and storage on the rise, and great potential for green industrial growth and regional development more generally. Its history and socio-economic context therefore entail a strong need for effective cross-border projects, strategies and co-ordination. However, given the remoteness and small size of many of its municipalities, fulfilling this potential is challenging in the absence of effective cross-border governance bodies. The Kvarken Council – especially following its recent conversion to an EGTC – is uniquely positioned to deal with these challenges and to contribute to the region's economic development. By co-ordinating cross-border efforts in the region, facilitating partnerships among key stakeholders and working collaboratively with municipalities of all sizes, the body ensures that cross-border projects are effectively carried out and that the region can fulfil its broader development potential.

Box 3: European Grouping of Territorial Cooperation (EGTC)

The EGTC is a legal instrument designed by the European Commission in 2006 to facilitate and promote cross-border, transnational and interregional co-operation across EU Member States. Formal recognition as an EGTC enables regional and local authorities, associations and other public bodies to deliver joint services without the need for an international agreement ratified by national parliaments. To date, there are 79 registered EGTCs across the EU with participants spread across 21 Member States (European Committee of the Regions, 2021).

By setting up this type of entity, members of EGTCs receive various advantages not necessarily accessible through over other cross-border collaboration structures. These include:

· Support for multi-level governance structures enhancing cross-border, bottom-up co-operation
· Facilitated joint planning and implementation of strategies for border regions
· Greater visibility at the national and international level and improved acceptance by other public authorities
· Increased flexibility and versatility that enable members to adapt and respond to specific changes in national or international legal frameworks
· Easier access to EU funding due to lower administrative complexity and burdens.

Source: European Commission (2018).

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39 For information on the Nordic Co-operation Council as a joint body enabling international regulatory co-operation in itself, see OECD (2013), International Regulatory Co-operation: Addressing Global Challenges (https://oe.cd/il/irc-global-challenges).

An innovative solution

The Governance Body

The Kvarken Council is a regional development organisation that promotes, manages and facilitates cross-border projects in the Kvarken region of Sweden and Finland. With political commitment and involvement from both sides of the border, the body contributes to the successful realisation of the region's cross-border projects in two main ways: (i) using its experience, connections and knowledge base to facilitate cross-border partnerships and support other organisations in finding new avenues for funding; and (ii) leading and financing cross-border projects directly via project management, co-ordination of partners and direct involvement in decision making.

Through this dual approach, the Council provides an innovative platform for cross-border co-operation, reducing the administrative friction created by national borders and strengthening the region's attractiveness for business, education, tourism and a variety of other sectors. To achieve its goal of stimulating sustainable, inclusive growth in the Kvarken region, the body operates by financing projects, sharing knowledge, building partnerships and co-ordinating efforts – thereby, enabling even its smallest members to gain access to national and European investment funds such as the EU Interreg Botnia-Atlantica.[40] Crucial to the effective functioning and success of the Council is its board of members, composed of high-level politicians and civil servants from municipalities across the Swedish-Finnish border. With their advanced knowledge of the region's needs and potential opportunities, board members are able to effectively finance or participate in projects that are of high relevance for the local context. Their high-ranking political positions also guarantee from the outset that approved projects are feasible, and that support will be sustained throughout their development and implementation.

Thanks to its experience and reputation in the region, the Kvarken Council is able to foster trust among partners across the border, providing them with necessary knowledge and expertise crucial for the successful realisation of innovative cross-border projects. This is also the case for smaller municipalities that often lack the capacity or resources to apply for funding programmes. The Council helps these partners by providing them with strategic assistance, resources and contacts to ensure that stakeholders of all sizes can participate and contribute to regional development. When participating directly in projects, Kvarken Council team members oversee day-to-day operations, ensuring that the interests of all partners are represented and that mutual learning for future collaborations is enhanced. In so doing, the team emphasises its apolitical nature, striving to focus on shared challenges so as to incentivise collaboration across partners and achieve common goals.

The Aurora Botnia cross-border ferry project

The innovative governance structure proposed by the Kvarken Council is exemplified in the recent completion of the Aurora Botnia ferry project[41] – a major milestone for cross-border transportation in the region. Launched in August 2021, the ferry links the Finnish city of Vaasa and the Swedish city of Umeå and re-establishes a transport route that had been lost following the countries' accession to the EU and the abolishment of tax-free sales in the region. With increasing costs, the ferry had become more expensive and less attractive for passengers. At the same time, an increasingly unreliable service also meant that transport companies using the ferry for freight shipments relied increasingly on transport by land, even though the sea route was significantly shorter. These factors ultimately led to the bankruptcy of the ferry company and forced the two cities to purchase a temporary vessel while planning and discussion for the future of the route took place.

However, given the crucial importance of the route for regional connectivity, tourism and economic growth, the Finnish Ministry of Transport and Communication took swift action and set up a working group to explore possible avenues to re-establish the ferry service. In the project's initial stages, early investigations and scoping studies were financed by the EU's Interreg Botnia-Atlantica programme and by the Kvarken Council. Here, the Council's co-ordinating efforts played a crucial role in bringing together partners from across the border and establishing a successful strategy able to attract sufficient national and international funds. In particular, thematic working groups featuring representatives of business and public authorities were organised, helping to ensure commitment and build strong relationships from the outset. Its holistic approach to project development and cross-border collaboration enabled the Council to highlight the strategic importance of the ferry to a number of stakeholders in its extensive regional network. This process built momentum and involved the participation of several actors in its realisation. Notably, by running on biogas and using the latest generation of electric batteries, the new cross-border ferry service relies on a number of innovative regional companies in line with broader green industrial development in the Kvarken area.

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40 For more information on the Interreg Botnia-Atlantica programme, see: www.botnia-atlantica.eu/frontpage.
41 See more at: https://aurorabotnia.wasaline.com.

Figure 5: The New Aurora Botnia cross-border ferry

Source: https://twitter.com/KvarkenL/status/1402566566185734150/photo/1.

The successful realisation of the project was therefore based on the cross-border partnership set up and headed by the Kvarken Council, which brought together the two municipalities and led to the cross-border ownership of the ferry. This unique procurement approach was ultimately made possible by the Council's previous involvement and leadership in projects such as the "Midway Alignment of the Bothnian Corridor" public-private partnership, which helped to lay the structural and financial foundations for the cross-border partnership. Moreover, the body managed communications in a transparent and effective manner, ensuring that support for the process would be widespread – both in the media and among the region's politicians. A strong common vision and shared understanding of the importance of the project for regional development was also essential for the Council's members and its project partners to work collectively, overcome funding challenges, and ensure that the region could benefit from an innovative, fairly priced and environmentally friendly passenger ferry.

Novelty

Although the Kvarken Council is a well-established cross-border collaboration body in the region, its innovative working methods and recent change in legal status have brought significant new opportunities to its partners and to the region more broadly. Its new status as the first fully Nordic EGTC, and the largest in Europe in terms of geographical area, has increased the visibility of Council's members and partners at both the national and European level. This in turn leads to funding and investment opportunities, providing local actors with a range of new possibilities to contribute to the region's socio-economic development.

By providing members with assistance and access to a vast network of regional and European experts, the Council also makes a unique, broad-spectrum contribution to innovative cross-border projects and collaborations. Members receive all-round support both at the earliest stages of projects – via personalised workshops to generate ideas and formulate strategies with partners across the border – and at the execution stage, with advanced technical, legal and financial support. There is constant dialogue and engagement with decision makers and business leaders in the region, making the Council a unique nexus of knowledge and opportunity. This places the body at the forefront of the region's socio-economic development, acting as a fulcrum of innovation and providing unique, tailored resources to cross-border stakeholders.

Impact and potential

With over 100 cross-border projects completed since its creation, the Kvarken Council has been a catalyst for successful collaboration and regional socio-economic development. Its conversion to an EGTC offers great potential to further this impact by making possible a wide range of new projects and innovations. Thanks to this new legal status, the body is able to obtain greater visibility on the international stage and to share experiences and lessons learned with other ETGCs via the EU's EGTC platform,[42] so as to export its successful working methods around the world. The Council's new status also provides several technical and legal advantages to its members. Indeed, by becoming an EGTC, the Kvarken Council is now able to act as a single beneficiary for investment funds across the border and to decide how to share costs and income streams across partners at a later stage. This is of particular importance for smaller municipalities, who can more easily participate in innovative cross-border projects regardless of their limited capacity or resources.

The wide variety of projects in the organisation's portfolio means that evaluation frameworks must continually evolve, depending mostly on the requirements of the funding programme. However, one of the Council's key success indicators across all its work is the willingness of partners from completed projects to take part in new collaborations. With growing demand for cross-border collaboration in the region, the Kvarken Council has become a point of reference for organisations seeking to work together across the border. The Aurora Botnia ferry project is a key example of this. After the successful launch of the vessel, project partners decided to collaborate further on the Kvarken Council's FAIR electric aviation project.[43] The relationships, trust and working methods developed during the previous collaboration are now being leveraged to develop an electric aviation system along the E12 transport route, spanning Finland, Sweden and Norway.

The impact and implications of the Council's cross-border projects are often broader than single project results alone. For example, the Aurora Botnia ferry service, beyond re-establishing a key transport route for the region, has led to strengthened belief among stakeholders in the potential benefits and synergies that can be achieved by working together across the border (Stjernberg and Sigurjónsdóttir, 2020). By approaching projects with a holistic vision and focusing on their broader impact, the Kvarken Council has great potential to stimulate the necessary innovativeness and cross-border collaboration to boost the region's development.

Challenges and lessons learned

While the Kvarken Council has headed many successful projects, challenges are common when co-ordinating efforts across borders and with different domestic institutions and capacities. The team often has limited capacity and resources to oversee the work of all its partners and to ensure that its staff is present at all stages of a project's realisation. Limited capacity also means that projects are often highly "people dependent" and that staff changes can make it difficult to maintain the relationships of trust that are so crucial for successful cross-border work. Another key challenge has been the Council's limited outreach to inhabitants and media, especially on the Swedish side of the border. This shortcoming is being addressed with the hiring of Swedish personnel and the investment of greater resources in social media campaigning to communicate to citizens the importance of cross-border collaboration for both the present and future of the region.

The successful completion of cross-border projects also relies heavily on the support of regional politicians and the Council's decision-making board. The political support they provide is crucial to understanding stakeholders' needs and is a key motivator for staff to achieve results. Having cross-party political input from both sides of the border also gives the Council unique insights into the common challenges of different political groups, providing a clear understanding of what voters in the region need and how cross-border collaboration can help them.

Beyond the practical importance of political support, the extensive experience of the Council in cross-border collaboration has given its team members a strong appreciation of the importance of trust in fostering successful collaborations and partnerships. Getting to know partners personally and building strong relationships across the border has proven to be essential to finding common ground, fostering synergies and unlocking the full potential of cross-border collaboration, in order to best serve the needs of the region's citizens and businesses.

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42 To read more on the EGTC platform, see: https://portal.cor.europa.eu/egtc/about/Pages/platform.aspx.
43 www.kvarken.org/en/project/fair-promoting-electric-aviation.

Innovative networks tackling cross-border collaboration

While cross-border government innovation can be driven by formal and more top-down or centre-out governance arrangements, it can also emerge from peer-to-peer connections through networks. Indeed, the complexity of cross-border areas may render formal institutions too cumbersome, or the barriers to direct institutional collaborations may be too great, thereby increasing the value of other forms of day-to-day collaboration (OECD, 2013a). Indeed, one of the greatest drivers of public sector innovation as a field has been the organic spread of ideas, tools and methods through networks. Research by OPSI and the MBRCGI and the Call for Innovations has found that networks are becoming more innovative in their form and function, and as a means for developing innovation capacities across borders and systems – while simultaneously fostering cultural capacities that reinforce cross-border collaboration.

The inherent value of networks is their capacity to connect people who might otherwise not be able to reach one another due to organisational silos or jurisdictional borders, in order to facilitate flows of knowledge and build relationships. Not all government policy networks, even innovation ones, are necessarily new. For instance, the OECDs work on International Regulatory Co-operation found in 2013 that transgovernmental networks represent one of 11 key categories of cross-border co-ordination, and often emerge as a reaction to failings associated with centralised approaches (OECD, 2013a).

The above research has surfaced a number of examples which show that these networks are evolving, and illustrate how diversity among organisations and members, in particular when spread across borders, can offer innovative benefits in the form of greater opportunities for learning and exposure to new ideas. Moreover, when complications emerge to co-delivering projects across jurisdictional barriers, networks are finding increasingly creative work-arounds and approaches to reducing friction, leveraging differences as an advantage, and focusing on strong relationships as the core focus for designing collaboration. Interestingly, while most cross-border governance bodies and efforts involving new systems dynamics often have a regional or borderlands focus (with only the most innovative or recent examples offering perspectives that span multiple continents or the entire globe), a higher proportion of networks now integrate diverse actors from many parts of the world.

Different types of network membership can determine the cross-border benefits

One way in which networks differ is their type of membership. A useful typology developed by the innovation foundation Nesta highlights two particular membership models used by most networks: "big-tent" and "high-hurdle" (Moonen et al., 2020).

Big-tent networks

"Big tent" networks were the first of these to develop. They allow knowledge exchange and bottom-up engagement, and incorporate a large number of actors on the basis that a greater number of people increases the number and diversity of ideas available for sharing and the people who can benefit.

The earliest examples of big tent networks have been mainstreamed and are no longer considered novel, although they may still be used to facilitate innovation practices. For instance, Australia's successful Improvement and Innovation in Government Network (BiiG)[44] helps Senior Officers to share innovation methods across organisations and jurisdictions. Conversely, a 2017 OECD Report on Cooperation in West Africa showed that while policy networks have been useful in the region at facilitating the exchange of cross-border information, most rely on face-to-face communication and close proximity, and involve people with similar values, cultures and governance systems; bringing together members where such elements differed introduced transaction costs that limit value (OECD, 2017a).

More innovative versions of big tent cross-border networks have emerged, however. For example, the transnational European Network of Living Labs (ENoLL)[45] has accrued over 475 Living Lab members since its founding, extending beyond Europe to acquire a truly worldwide scope. ENoLL defines Living Labs as "user-centred open innovation ecosystems based on [a] systemic user co-creation approach". Founded originally in 2006 under the Finnish European Presidency, their first decade focused largely on the expansion of membership, spreading learning and supporting particular EC projects. More recently, ENoLL itself has matured and network organisers have begun offering more bespoke and innovative projects. For example, the Network has developed a Virtual Learning Lab with weekly virtual sessions to assist with capacity building. Members connect to each other through action-oriented task forces, where collective learning

exercises are run on a collaborative basis. For example, the Task Force for Social Innovation & Digital Rights promotes the sharing of learning as a collective and acts as a collaborative advocate for the digital rights of citizens.[46]

Another big-tent network is the *Red Innovacion Local* (RIL), or the Local Innovation Network – an Argentinian local government network that connects practitioners from across intranational and local borders. Any local public servant can join and leverage the scale and value of the network. Such direct peer-to-peer learning mechanisms represent a growing trend in recent forms of collaboration (Moonen et al., 2020), and take several forms in the case of RIL, such as a portal with a "Discover Me" section which allows users to identify other members of the network by geography, type of work and other factors, and connect directly with them. The horizontal peer-to-peer connections facilitated by this digital platform have resulted in a number of projects.

High-hurdle networks

Whereas big tent networks cater for a breadth of members, "high-hurdle" networks are more exclusive structures that pursue more ambitious agendas and focus on a particular challenge or mission in which innovative approaches often thrive. A number of high-hurdle networks span jurisdictional borders at both international and sub-national level, and are explored further in this section. Some of these networks push for progress on global challenges or are oriented towards adaptation to changing operating environments.

The Districts of Creativity Network[47] is an early example of a high-hurdle innovation network set up by the Flemish government to focus on regional learning, but with an emphasis on uniting regional and global perspectives. The network is characterised by a distinctly international and diverse membership: rather than comprising "the usual suspects" (Moonen et al., 2020), its members consist of a variety of localities ranging from cities to countryside, in geographically diverse locations such as Brazil, China, Denmark, Flanders, Oklahoma and Scotland. This diversity of actors spread across different contexts exposes each member of the network to a broader range of different ideas than would be possible for a network comprising neighbouring areas. Rather than being constrained by the principle of proximity, the network leverages the difference and diversity of its members as its unique selling point. This is perhaps best demonstrated in their "Reverse Missions" in which a host region from among the 13 members invites innovators from the other regions to undertake yearly study visits, to explore and share ideas on fostering creativity and innovation.

44 www.biigconference.com.au/event/ddaae825-9e74-41fd-8bda-fb9d245d28dd.
45 https://enoll.org.
46 https://enoll.org/task-forces/action-oriented-task-force-for-social-innovation-digital-rights.
47 https://districtsofcreativity.org.

Figure 6: A District of Creativity "Reverse Mission"

A notable transnational high-hurdle entity is the Digital Nations,[48] a network for promoting digital transformation and innovation in 10 of the world's most digitally advanced countries. Because of the select nature of the network's membership, members were able to develop a particularly ambitious set of Principles of Digital Development.[49] However, an important and innovative feature of the Digital Nations is its informality – the founding Charter is non-binding, and disputes are to be "settled amicably… without any reference to any third party or international tribunal".[50] This facet of informality prevents conflict by instead favouring the pursuit of co-operation and collaboration (and not necessarily consensus) as a fundamental tenet of the networks existence: principles, targets and reports are created together, and disputes are settled together.

This approach exemplifies what some researchers have highlighted as a trend in multilateralism of less formal and binding collaborations. Instead, such networks seem to be adopting forms of "minilateralism", with an emphasis on interpersonal relationships as the foundation of collaboration, dialogue and trust between members, rather than formal legal architectures (Filer and Weiss, 2020). Networks such as the Digital Nations may have the potential to catalyse innovation beyond its own membership base. As the 2020 Bennett Institute for Public Policy report on "digital minilateralism" noted, the Digital Nations "is well placed to feed into the broader international system as a beacon, providing shared directions of travel through its informedness, capacity for knowledge transfer, willingness to be a first mover in committing principles to paper, and ability to horizon scan on emerging issues" (ibid.).

The Digital Nations is not the only network working to bring together global actors for digital innovation. For example, the OECD's Working Party of Senior Digital Government Officials (E-Leaders),[51] which consists of senior civil servants (usually central government Chief Information Officers), has specifically convened leaders and experts in the fields of digital government and data. The E-Leaders have held discussions and developed materials for the most advanced digital governments, as well as those with a lower level of digital government maturity.[52] These efforts are guided by the OECD Recommendation on Digital Government Strategies (OECD, 2014).[53] The United Nations Secretary-General recommended the formation of an alliance to advance digital public goods. In response, UNICEF and the Government of Norway have incubated the Digital Public Goods Alliance which brings together communities of practice "leveraging years of experience from individuals operating in relevant sectors … who can collectively accelerate the achievement of the [SDGs]"(United Nations, 2020).[54] This Alliance represents a good example of how longstanding organisations for international collaboration can facilitate horizontal connections for innovation, while simultaneously ensuring that they themselves remain immersed in the state of the art in government practice.

48 www.leadingdigitalgovs.org.
49 www.digital.govt.nz/digital-government/international-partnerships/digitalnations.
50 www.gov.uk/government/topical-events/d5-london-2014-leading-digital-governments.
51 www.oecd.org/governance/eleaders.
52 See https://oe.cd/dgpi for the OECD Digital Government Policy Index, a measurement tool to assess the implementation of the OECD Recommendation on Digital Government Strategies (https://oe.cd/DGS) and the OECD Digital Government Policy Framework (https://oe.cd/dgpf).
53 https://oe.cd/diggovstrategies.
54 https://digitalpublicgoods.net.

Box 4: Enabling collaborative solutions through multiple approaches to connecting people

Red Innovacion Local (RIL), the Argentinian "Local Innovation Network", offers numerous examples demonstrating how they actively leverage their collaborative capacity to find solutions to shared problems. The network of 1 390 officials from 1 272 cities has enormous potential if the right people can be connected to meaningfully facilitate co-creation among their members. RIL conveners have embraced the opportunity to leverage their membership to develop shared projects through innovative and collaborative methods:

· RIL convened groups of 5-10 cities around specific shared common challenges, with expert facilitators guiding the groups to develop a common approach and shared solutions.

· Organisers developed a yearly challenge, with 80 teams invited from across the Latin America region. These teams sprint together to find solutions to themed and shared challenges, with capacity and expert support provided by RIL.

· RIL Ambassadors is a leadership programme that takes an innovative approach to developing the necessary skills and capacities for public sector managers. For example, RIL facilitated a workshop with the head of Ted Talks Argentina to develop "storytelling" as a key innovation skill for leaders.

Source: Interview with RIL Staff, www.redinnovacionlocal.org.

The Global Councils on SDGs[55] is a UAE-pioneered initiative to support global implementation of the SDGs. The Councils consist of interdisciplinary networks of decision makers including ministers, senior civil servants and experts from international organisations, and seek to find innovative solutions to SDG implementation. Launched in February 2018 at the World Government Summit (WGS)[56] – there are currently 12 Global Councils that work to develop innovative means of implementing projects – one of the biggest hurdles when it comes to systems level approaches. Successes have included the formulation of a high-level implementation framework for cities and the development of a City Twinning programme. Future plans include building a Solutions Repository, a "Financelerator" for SDG projects and an Insights Report.

Another example of a "high-hurdle" network is Open European Dialogue (OED), a trans-European network organisation leveraging innovative convening and learning methods that brings together elected politicians from European parliaments. A full case study on the OED is presented later in this chapter.

Innovative networks to enable collaborative solutions and shared learning

Beyond membership models, networks are increasingly leveraging their properties in innovative ways to maximise the potential for collaborative solutions and learning among their members. The central conveners of networks play a key role in this process. The Collaborative Leaders Network[57] describes the role of conveners as "to serve as the organizer and administrator of the collaboration". Recognising their importance, since 2021 OPSI has been piloting an informal group of innovation network conveners[58] to share experiences and knowledge that can develop their networks and to optimise their role as conveners to improve the international innovation ecosystem.

This activity has led to some initial lessons on approaches that help maximise the value of these networks to support collaboration across jurisdictions. First, a key successful approach is embracing the role and position of the network convener to promote the co-development and co-creation of projects. This direct approach allows cross-border collaboration to emerge via innovation networks by facilitating direct connections among peers – either through a more hands-off organic approach or, increasingly, through actively facilitated connections. For example, GigLab Sweden,[59] a network of public sector design labs, connected two agencies who then collaborated together to deliver Fairgig.se,[60] an initiative supporting the development of a sustainable gig economy through the collaboration of multiple government authorities spanning different levels of government and jurisdictions, academia and civil society. GigLab Sweden and the two agencies collaborated within the network, as well as Vinnova, Companion Sweden and the Swedish Public Employment Service to create a "platform for platforms".

Red Innovacion Local, mentioned earlier, has worked to actively catalyse projects across its network (Box 4).

55 See https://fcsc.gov.ae/en-us/Pages/SDGs/GlobalCouncilonSDGs.aspx and https://oecd-opsi.org/innovations/global-councils-on-sdgs.
56 www.worldgovernmentsummit.org.
57 https://collaborativeleadersnetwork.org/leaders/the-role-of-the-convenor.
58 https://oecd-opsi.org/join-opsis-innovation-community/public-sector-innovation-networks.
59 www.giglabsverige.se.
60 https://fairgig.se.

Figure 7: The Ynnovate Method focuses on fostering human skills for collaborating

Source: Let's Ynnovate.

A second successful method is to leverage the information brokering function of network conveners to develop new knowledge, ideas and approaches through their network in order to enable innovation in different organisations and jurisdictions. The convener's place at the centre of the information flow between network members enables them to conduct sensemaking and provide insights to help develop new products for the network based on the content gathered from all participating actors.

One example of this approach is Systems Innovation Hubs,[61] a network of local hub cities and countries around the world that aim to foster systems innovation through their own systems-thinking methods and tools. Many of their products (e.g. templates for ideations, facilitation guides, videos) were created by leveraging knowledge and expertise from the various hubs in the network. This approach builds on the information brokering function, with the central convener well placed to develop knowledge, even in a network with very diffuse responsibility and activity.

Another example is Let's Ynnovate![62] – a Dutch civil society organisation that supports public sector innovation by providing government employees with new tools. The organisation caters to 1 500 public servants from different levels countries, jurisdictions and levels of government, who interact through a network that enables them to connect, share experiences and resources, and collaborate. These "Ynnovators" are trained using the "Ynnovate Method", which was developed by evaluating and learning from the experiences of existing members. The Ynnovate Method emphasises innovation as a group process, and

gives its participants the necessary tools to optimise their mutual collaboration. Figure 7 shows an activity designed to encourage participants to think about relationships that are foundational to the innovation process.

While the explicit efforts of conveners are important, they are not sufficient to develop interest and capacity for cross-border collaboration. A collective sense of purpose and trust among individual participants to achieve better results together is an essential driver. As uncovered in OPSI's Cross-Border Government Innovation workshops, a common challenge to cross-border collaboration was lack of trust, especially where different actors had competing interests (see the chapter on "Unpacking findings and lessons learned"). This process highlighted the very human dimension of collaboration, and emphasised the importance of personal relationships as a key element of innovating across borders. This finding also resonates with the concept of "minilateralism", discussed earlier in this chapter. Interviews and discussions with network conveners and members clarified that participation in networks, and meeting with people from outside of your immediate work circle enables the development of socio-emotional skills (empathy, communication, adaptability and conscientiousness) and a culture supportive of collaboration,[63] without which collaborative innovation is almost impossible. Exposure to alternate perspectives and experiences also sparks the imagination process, a fundamental trait for innovation. As one respondent to a survey from the RIL network stated: "It's a nexus, a thread that connects us with different realities and experiences with the community".[64]

61 www.systemsinnovation.io/hubs.
62 https://letsynnovate.com.

63 See the OPSI/MBRCGI 2020 report on Upskilling and Investing in People (https://oe.cd/trends-upskilling).
64 https://drive.google.com/file/d/1DCgufCpXgzWrPEpa0VPESfrfgLkHrngF/view (in Spanish).

Open European Dialogue

(Europe)

The Open European Dialogue (OED)[65] is an informal network that brings together European members of parliaments (MPs) from across the political spectrum to discuss common policy issues and challenges. Focusing on human-centred process design and open dialogue, the OED provides an innovative space for cross-border dialogue that strives to be diverse, informal and apolitical.[66] Politicians from different levels of government, parties and countries can discuss many different topics, test their views, build personal relationships and be confronted with a wide range of opinions. Events and workshops are designed in collaboration with process design experts, making cross-border dialogues innovative, stimulating and creative.

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65 See www.openeuropeandialogue.org and https://oecd-opsi.org/innovations/open-european-dialogue. Unless otherwise noted, source material for this case study is drawn from these sites as well as interviews with Chiara Rosselli (Head of the OED) and Helena Wittrich (Political Representation and Network Development Lead) conducted on 4 August 2021.
66 To read more from the OED on creating better political conversations, see: www.openeuropeandialogue.org/download-file/1823.

Context

The OED (originally the Mercator European Dialogue) was established in 2015 to generate awareness about and revive international dialogue on cross-border issues at the EU level. Its creation came as a response to political tensions produced by the Euro and refugee crises, which were causing a breakdown in international political debate, according to OED organisers. The underlying ethos was that enhanced dialogue can help elected representatives approach cross-border issues. The complexity of the problems faced by European countries made cross-border solutions necessary, yet many politicians were unaware of how decision making affected other jurisdictions and how citizens in other countries viewed the problems at hand. This led to confusion, stalemate in negotiations and rising political tensions across the continent.

The initiative was put forward by the German Marshall Fund of the United States and Stiftung Mercator, in co-operation with three think-tanks in Greece, Italy and Spain, who set out to create a politically neutral space to stimulate dialogue among political representatives from different countries. The OED network was established as a permanent platform for cross-border dialogue where politicians from across the European continent and from different political backgrounds could come together to informally discuss a variety of issues and challenges. Guided by the motto: *"We need to talk!"*, the OED team and its partners worked together to guarantee a neutral space for dialogue that could attract the widest range of political backgrounds, providing them with innovative and experimental tools to generate ideas related to common cross-border and domestic issues. Today, the project is also supported by the King Baudouin Foundation and Robert Bosch Stiftung.

An innovative solution

The OED is a network of MPs from across Europe that gives participants the opportunity to discuss domestic and international issues with their counterparts in other political parties and countries in an informal and non-confrontational setting. The politically neutral nature of the network enables members to openly discuss issues and listen to a range of different opinions to which they normally would not be exposed. In order to effectively identify the needs of parliamentarians and structure its dialogues around relevant issues, the OED receives strategic input from its Parliamentary Steering Committee. The committee members are chosen from the network members for their commitment to the networks' mission of open, cross-border and cross-party dialogue.

OED members can tap into a network of MPs from across Europe and over 100 different political parties, as well as a network of international experts from European institutions, national government agencies, private companies, newspapers, universities, think-tanks and research centres. Via collaboration with these experts and organisations, the OED team enriches the network's knowledge base, allowing members to draw from their expertise and enhance the innovativeness of its dialogues.

The platform is based on three pillars:

1. Cutting-edge expertise: leading think-tanks and partners provide members with policy expertise and help structure dialogues around the latest, ground-breaking human decision making research.

2. Innovation and experimentation: creating a space for MPs to experiment with innovative forms of political dialogue and explore new approaches to democratic governance.

3. Engagement and activation: creating a diverse space where a wide range of political opinions is represented and democratic principles are fostered.

Following these three pillars, the OED experiments with democratic innovation with the ultimate aim of stimulating dialogue, creating new connections between politicians, and helping them to understand the increasingly complex context in which they govern. This is achieved through the following main formats:

- **Workshops and special events**: These include annual meetings and scenarios exercises, often co-organised with other organisations.

- **Policy design sprints**: These are fast-paced events where members informally discuss creative solutions to a shared policy issue (see Box 5).

- **Monthly MP Open Calls**: This open-agenda format created during the pandemic involves phone calls or conversations between two or more MPs.

- **OED120**: This process consists of two hours of facilitated online, horizontal dialogue with the aim of connecting parliamentarians with specialised experts and encouraging learning and further collaborations.

- **Fact-finding missions and publications**: These explore specific themes such as migration, fake news in electoral campaigns, value-based conflict in Europe, pan-European parties and Brexit

Box 5: OED Policy Design Sprint

The Policy Design Sprint is one of the OED's most recent innovative dialogue products. The format was developed in collaboration with the network's process design partner APROPOS and is inspired by the Design Sprint Methodology – a tool created for cross-functional teams to rapidly narrow down a problem area and test a solution. The OED team has tailored the approach to specific policy issues and the use of cross-border dialogue between MPs as a tool to generate creative solutions to common problems. The approach focuses on momentum, entertainment and creativity, with five fast-paced online meetings, interspersed with homework assignments, over a period of roughly six weeks.

The first Policy Design Sprint looked at the question, "*How can parliaments better oversee executive action in times of crisis?*" and resulted in a co-designed policy prototype called "P[2]: Preparation for Participation". The two-pronged cross-border approach to crisis management proposes the activation of a special crisis committee and a citizens platform to help inform decision making. The format's design focused on the human side of cross-border co-operation and was crucial for its success. By making the process fast and informal, the OED team was able to get MPs from across borders to leave their comfort zone, embrace an experimental attitude and use their creativity effectively to discuss a policy issue of global relevance.

Source: OPSI interview with OED team members (August 2021), https://issuu.com/oedteam/docs/oed_policy_design_sprint_final_report.

Human-centred process design is at the centre of the OED's work and is key to ensuring that these informal dialogue spaces encourage active listening, explorative policy thinking and trust-building across diverse political actors. Process-designed spaces also contribute to creative idea-generation among MPs, strengthened issue ownership, peer-to-peer dialogue, and ultimately make the OED's events entertaining and stimulating for all participants. Most event formats therefore include opportunities for members to get to know each other in an informal way, with discussion tables or breakout rooms often limited to a small group of participants (see Figure 8), and issues framed in the most neutral and apolitical way possible. This is crucial to deconstruct stereotypes and ensure that MPs from across the political spectrum understand what they have in common and are incentivised to discuss and collaborate. This approach also ensures that members trust the network and its facilitators to be neutral, making conversations open to all views and opinions.

Figure 8: MPs at the 2019 annual OED dialogue in Rome, Italy

Source: OED.

In order to build and foster the trust necessary for the effective functioning of the network's meetings, the OED team strives to make membership as diverse as possible, prioritising confidentiality and emphasising the informality of its events. The team – composed of experts from its leading think-tanks – facilitates and curates network membership by approving requests and proactively reaching out to potential members to ensure diversity and wide-ranging representation. The recruitment process is managed by the network development and representation lead, who guarantees the diversity and quality of the network via extensive desk research, recruitment missions and careful approval of members' peer-to-peer recommendations. This ensures that new members are in line with the mission and democratic principles of the OED and possess the potential to contribute to the network's open dialogues and exchanges.

Novelty

While various international and European organisations have created inter-parliamentary assemblies and formal spaces for cross-border collaboration, the OED represents the first attempt in Europe to establish a fully informal exchange between policy makers across all political parties and in all areas of expertise across borders. This new kind of space aims to stimulate true collaboration, learning and peer-to-peer interaction via the use of innovative human-centred process design principles,[67] experimental dialogue products and research. Moreover, the OED's collaborations with research think-tanks, focused on innovative democratic and participatory practices, provide members with insights into the latest discoveries and approaches to collaborative, open decision making – spurring new thinking and ideas about how democracy can be strengthened in international and domestic contexts. What also makes the OED unique is its focus on providing a truly neutral space for discussion that enables politicians to set aside their professional mindset and to foster honest, personal relationships with their counterparts in other countries and parties. In so doing, the space recognises the importance of personal relationships in cross-border collaboration, leveraging the power of open, cross-party dialogue to solve complex, international issues.

Impact and potential

While the impact of formats such as policy design sprints can be measured by examining policy outcomes and observing how MPs apply the discussed ideas in their local context, the informal nature of the network's other dialogue products can be difficult to evaluate. The OED's ultimate goal is to use dialogue as a tool to create the pre-conditions for collaboration and shared solutions among MPs from different backgrounds. For this reason, the very participation of its members in the network's unique, informal discussion spaces is what the OED team values and strives to achieve. In their words: "*the impact is the dialogue*".

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67 Human-centred design (HCD) is an approach to problem-solving that puts the people being designed for at the heart of the process. For information and guidance, see the Introduction to Human-Centred Design materials developed by the Government of Victoria, Australia (www.vic.gov.au/introduction-human-centred-design).

At the same time, however, the team relies on the feedback of its members and also tracks the different actors that have engaged with the OED platform over time to understand its impact at a more practical level. Although measuring the impact of a network can be challenging, various tangible results have been achieved: 80% of members have reported staying in contact with at least one other network member regularly after the meetings and several MP-led initiatives were born from OED members collaborating across borders. These include the following:

· A joint open letter initiative gathered the support of over 70 members of parliament from across Europe and 20 different parties.[68]

· Two cross-border initiatives called for solidarity during the COVID-19 pandemic.[69]

· A co-drafted appeal from four MPs from across Europe and party lines, entitled *Rethinking Prosperity for the 21st Century: A Message to Parliaments and Policymakers Across Europe*, sought to rethink the conception of prosperity.[70]

Its recognition as a neutral and honest broker enables the OED team to involve a variety of MPs in their dialogues – including those that are most sceptical of European institutions and might not participate in formal discussion forums. By guaranteeing and enlarging this informal space, the OED's work has the potential to uncover hidden assumptions and values that guide MPs' decision making and cross-border collaboration. This can ultimately contribute to the creation of political spaces and processes that are more democratic, fit-for-purpose and that can address the needs of citizens more effectively.

Challenges and lessons learned

Barriers to innovation across international borders often tend to be higher compared to local or national contexts. Cultural, political or linguistic differences also introduce an additional layer of complexity, and can disincentivise actors from engaging in fruitful discussions and debates. A key challenge for the OED team is therefore to foster trust in a space where political and cultural diversity are the norm. To address this, the team facilitates and designs meetings in such a way that enhances transparency and makes members feel like they are in a safe, respectful place. Meeting agendas tend to be open and members are often told that – unlike in the discussion forums they usually take part in – consensus is not needed. While this might come at the expense of time and meeting outcomes, the OED team believes that taking such risks as a facilitator is essential to build ownership into the process and to stimulate members to listen effectively and learn from one other.

The OED team's experience as a facilitator and their collaborations with process design professionals are therefore essential to the success of the network and its meetings. While being an honest broker and remaining neutral on controversial topics can be challenging at the personal level, the team focuses its efforts on the needs of participants, adapting the network to address members' requests and designing processes in ways that reflect the human side of policy makers. While trust and membership can be difficult to build during the initial phases of the project, sustaining momentum and ensuring that honest dialogue is fostered over time, can secure the participation of even the most sceptical potential members.

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68 For an interview with the project's Greek and Scottish initiators, see: https://vimeo.com/210739073.
69 "Insieme | Together – A Call For European Solidarity In Difficult Times" (http://insieme-together.eu), and "European Solidarity Now!", a joint Italian-German appeal for EU solidarity and action against financial crime.
(https://weareinthistogether.eu/petition/european-solidarity-now-in-the-interest-of-all-member-states).
70 See www.gmfus.org/news/rethinking-prosperity-21st-century-message-parliaments-and-policymakers-across-europe.

Exploring emerging governance system dynamics

Complexity is a core feature of most policy issues today, with their components interrelated in multiple, hard-to-define ways. Yet, governments remain ill-equipped to deal with complex problems – especially cross-border issues. Recognition of the "complexity gap" – the gap between the problems faced by the public sector and its capacity to tackle them – has led governments and their partners to conceive of innovative systemic approaches to cross-border innovation. A "system" in this context can be defined as elements linked together by dynamics that produce an effect, create a whole new system or influence its elements. Changing these dynamics requires a new way of examining problems and bold decision making that fundamentally challenges government institutions and governance structures (OECD, 2017b).

At present, such governance bodies usually take the form of top-down entities. Networks, on the other hand, work to build horizontal connections and capacity. However, both tend to conceive of their individual members in relatively traditional terms (e.g. as representatives or actors from a specific country). The emerging dynamics of governance systems identified through this research are working to pioneer more holistic approaches, many of which re-envision the nature and role of major players and build new connective tissue and mechanisms to innovate together. Examples of such approaches include co-designing policies and services, co-funding and co-governance.

Unlocking the potential of regions as systems

Recent research has found that every cross-border governance systems "contains three components: purpose (what is the system for?), elements (what are the characteristics?) and interconnections (how do elements relate to each other?)" (Wong Villanueva, Kidokoro and Seta, 2020). By far the strongest theme uncovered in this work is that such systems components are being brought together and reconceived most often and in innovative ways at transnational regional level, especially in borderland areas close to borders.

Figure 9: Example of innovative cross-border governance system dynamics in the EU

Initiative	Description	Innovative system dynamic(s)
B-solutions1	An innovative way to support border regions in identifying the root causes of legal and administrative obstacles that hinder cross-border collaboration, and in developing replicable solutions to overcome them. Managed by the Association of European Border Regions (AEBR) on behalf of the European Commission,2 B-solutions hires legal experts who provide direct support to cross-border local actors reducing red tape to nearly zero.	Legal/regulatory framework streamlining
EGTC GO3	Leveraging the EU's EGTC instrument (see Box 3), EGTC GO promotes innovation in local governance among cities in Italy and Slovenia to solve cross-border challenges. It combines three innovative elements: 1) an institutional and political framework for multi-level and bottom-up cross-border collaboration, 2) a cross-border public services co-ordinator, and 3) collective application for and administration of EU funds. EGTC GO uses innovative methods such as collaborative thinking and agile approaches to help municipalities co-create and deliver services together.	Collaborative framework Common strategy Co-governance Systems co-ordination Joint public services
A Cross-border Cooperation for Smart Specialisation (aCCeSS)4	This European project promotes the transfer of knowledge and technologies from universities to small and medium enterprises (SMEs) in French and Spanish border regions to improve their potential for innovation. An analysis of smart specialisation strategies in the region has led the project to focus on a number of key areas of comparative advantage.	Knowledge transfer Talent access

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1 See www.b-solutionsproject.com and https://oecd-opsi.org/innovations/b-solutions-overcoming-cross-border-obstacles.
2 www.aebr.eu.
3 See https://euro-go.eu/en and https://oecd-opsi.org/innovations/egtc-go.
4 See https://keep.eu/projects/20574/A-Crossborder-Cooperation-f-EN and https://interreg-poctefa-access.com/wp-content/uploads/2021/01/aCCeSS-Analysis-OPEN-DATA-Platform.pdf.

Many of the efforts identified in this research are located within the European Union. This is not surprising given efforts at the EU level to build cross-border governance and collaboration capacities (see Box 3), to provide funding for such efforts through the Interreg programme of the European Regional Development Fund (ERDF),[71] and to advise on multi-lateral research and innovation co-ordination and internationalisation activities.[72] What is interesting, however, is the innovative ways in which cross-border systems come together and collaborate for collective impact. Most of these efforts, while transnational in nature, are driven by local governments (Kurowska-Pysz, Castanho and Loures, 2018). Figure 9 shows some of the most notable examples.

Not all efforts identified in this research are situated in the European Union, however, with some emerging cross-border systems gaining traction without the unifying framework of the European Commission. The 2021 Borderlands Inclusive Growth Deal, as featured in a case study at the end of this chapter, represents an innovative and compelling cross-border partnership between the Government of the United Kingdom, the Scottish Government and five local councils along the border, leveraging co-funding, joint governance and design-led approaches.

Another non-EU example is the Cascadia Innovation Corridor (CIC),[73] a cross-border innovation system that comprises cities and private sector organisations, particularly in the field of digital technology, which collaborate across the Northwest region of the United States and the South-West region of Canada. The CIC's mission is to become a global innovation hub for fields relevant to the public sector (e.g. transportation), academia (e.g. research) and the private sector (e.g. life sciences, transformative technologies). The CIC also has a steering committee consisting of government, academic and business leaders from both sides of the border. In 2020, it hosted forums focused on mapping out and exploring potential shared opportunities across the region. The CIC Partnership facilitates cross-border knowledge exchange, jointly advancing and integrating common infrastructure needs, and support strategies to accelerate the regional economy. The steering committee has also developed a series of action plans that seek to position Cascadia as a global innovation hub in the life sciences. Innovative systems dynamics employed by the CIC include co-governance, co-creation and ideation, as well as developing collaborative guiding frameworks for issues such as regional upskilling.

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71 The ERDF aims to strengthen economic, social and territorial cohesion in the European Union by correcting imbalances between its regions. Interreg is the EU's instrument to support co-operation across regions and countries, and one of its key objectives is to promote better co-operation governance. See https://ec.europa.eu/regional_policy/en/funding/erdf for more information.
72 ec.europa.eu/research-and-innovation/sites/default/files/rio/report/Infographic_MLE_INCO_FINAL_0.pdf.

73 https://connectcascadia.com.

Figure 10: RLS Virtual Roundtable on COVID-19 bringing together regional governments and researchers

Source: https://oecd-opsi.org/innovations/rls-sciences.

Innovative cross-border system dynamics across greater distances are surfacing

While this chapter has demonstrated innovative governance systems dynamics for cross-border collaboration at close proximity, it is also worth highlighting the importance of such approaches across greater distances. Research on cross-border collaboration has generally emphasised that close geographic proximity and shared identity or contexts are critical pre-conditions (Buckley, Belec and Anderson, 2017); yet, the challenges of today are increasingly complex and global in nature. While cross-border government innovation at closer proximity (e.g. regions) can yield significant benefits and drive efficiency, effectiveness and coherence in public policy and services, greater benefit could be gained by investing in the development of cross-border governance system approaches that span multiple global borders.

Previous chapters in this report highlighted a few governance bodies and innovation networks whose focus extends beyond the regional level. OPSI and MBRCGI research has also identified a few noteworthy efforts that involve building systems dynamics among different actors at a more global scale, and has examined how they can enhance collective abilities to act holistically across borders. One example, the Regional Leaders Summit (RLS)-Sciences,[74] leverages regional systems dynamics mechanisms as a springboard for more global forms of collaboration through a research co-operation framework.[75] Its multi-lateral and multi-level governance approach brings together seven regions across five continents to collaborate on regional development issues. It achieves this by forging collaborations among scientists and policy makers, facilitated by political, scientific and administrative co-ordinators, in order to launch and drive multilateral projects (see Figure 10). Projects are co-created with participants internationally and offer significant opportunities for sharing and diffusing insights. Outputs from the projects are then fed back into the participating regions to affect positive and sustainable change.

Technology is a key driver of new types of systems dynamics across borders. For instance, the United Nations Economic Commission for Europe (UNECE) has developed an open source blockchain system to advance responsible consumer choices and business conduct in the cotton market, and to provide governments and companies with a set of tools to advance traceability, transparency and sustainability in this industry.[76] Involving collaboration with industry actors and key stakeholders from Egypt, Germany, Italy, Switzerland, the United Kingdom and the United States, the initiative connects diverse actors around a common goal linking them through innovative technology that can serve as a platform for a variety of new systems dynamics and interactions.[77]

Such examples signal that the concept of geographic proximity may become less relevant in the future, with "functional proximity" instead emerging as a key underlying factor, that "has less to do with pure distance in kilometers between different actors, [and more to do] with the efforts it takes for them to interact in terms of time and costs" (Lundquist and Trippl, 2009). The COVID-19 pandemic has rapidly accelerated the digital transformation of the public sector,[78] with Zoom calls replacing in-person interactions. It is hoped that this trend, coupled with growing recognition of the need for global responses to the most pressing challenges, may lead to the emergence of more innovative cross-border systems dynamics from players in different parts of the globe. The United Nations Development Programme (UNDP) has also made the case for such a change through its *Way Forward*[79] petition, which calls for "seeding new transnational alliances based on shared interests and vulnerability", on the basis that "the future will be built across a new constellation of governmental alliances – collaboratively innovating and creating a multi-polar future of state craft and governance". Taking a systems approach to cross-border governance by devising new connective and collaborative dynamics is a critical element to putting in place the enabling conditions that can make cross-border initiatives greater than the sum of their parts.

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74   https://oecd-opsi.org/innovations/rls-sciences.
75   www.rls-sciences.org.

76   https://oe.cd/unece-blockchain.
77   While a number of interesting projects involve public sector use of blockchain, few have gained solid adoption and moved beyond small pilots and proof of concept. This topic and a number of factors that contribute to the success and failure of public sector blockchain projects are discussed in the report The Uncertain Promise of Blockchain for Government (see https://oecd-opsi.org/uncertain-promise-blockchain).
78   https://trends.oecd-opsi.org/trend-reports/innovative-covid-19-solutions.
79   https://awayforward.undp.org.

Borderlands Inclusive Growth Deal

(United Kingdom England, Scotland & five boroughs)

"*A collective ambition for the Borderlands to reach its potential for everyone, delivering green growth and attracting new businesses and investment*", Ambition Statement of the Borderlands Partnership

The Borderlands Inclusive Growth Deal (the Deal)[80] is an example of an innovative governance system that is intentional, systemic and truly collaborative in its approach to partnerships, as well as investment, planning and delivery. Created in March 2021, the Deal represents a transformational opportunity to achieve long-term sustainable prosperity for people, places and businesses within the Borderland regions along England and Scotland within the United Kingdom (UK). Involving the Government of the UK, the Scottish Government and five regional borough councils, it is the first cross-border deal of its type, amassing joint funding of GBP 450 million (EUR 520 million equivalent) as an integrated investment package for cross-border projects related to improving physical spaces in the region. Improvements are targeted at public buildings and train stations, enabling infrastructure, green growth and support for business, and innovation and skills that will benefit individuals and society across the entire Borderlands region.

Figure 11: Stranraer Marina, a beneficiary of the Deal

Source: Billy McCrorie (https://www.geograph.org.uk/photo/6605204).

Context

The Borderlands is a mainly rural region strategically located at the geographic heart of the UK with a population in excess of 1 million people. The region accounts for 10% of the UK's land mass and contributes approximately GBP 5 billion (EUR 5.85 billion equivalent) per year to the Scottish economy and GBP 22 billion (EUR 25.74 billion) per year to the UK economy.

The Borderlands economy offers great value in terms of a high-quality environment and unique places, which support diverse activities including agriculture, manufacturing and tourism. Yet, despite the region's attractiveness, there has been a declining working age population, lower than average levels of productivity, a lack of full digital connectivity, and a relatively high degree of inequality and access to education. Furthermore, the COVID-19 pandemic has impacted local communities in profound ways, with tourism and small business sectors badly impacted.

All these factors created a strong imperative for local authorities to shift from an informal partnership towards a formal collaboration and strategy, through the Deal. In order to achieve this, the councils had to navigate existing administrative boundaries and different legal frameworks and policy contexts.

Often, such remarkable collaborations are born only out of a crisis or burning issue. However, the Deal demonstrates that it is possible to initiate collaborative governance systems for longer-term visions or strategies. The Borderland partners collectively agreed that they wanted the region to address the long-term decline of economic possibilities, harness the benefits of local natural resources, and help the region become a vibrant, thriving and inclusive community that attracts people to live.

An innovative solution

The Deal is a collaboration between the central UK and Scottish Governments and the five regional councils of Carlisle, Cumbria, Scottish Borders, Northumberland and Dumfries & Galloway. It brings approximately GBP 450 million in investment to support inclusive and sustainable growth across the Borderlands region and is anticipated to boost the region's economy by GBP 1.1 billion (EUR 1.29 billion equivalent) and create 5 500 additional job opportunities. The Deal funds programmes and projects that benefit the entire region, focusing on four themes: improving places, enabling infrastructure, encouraging green growth, and supporting business and innovation and skills.

The Deal tackles the shared challenges of the region with a view to achieving inclusive and sustainable growth, by addressing three key challenges:

- **Narrowing the productivity gap** – Gross Value Added (GVA[81]) per head is 31% lower for the Borderlands region than the UK average, even though the region contributes GBP 22 billion to the UK economy and GBP5 billion GVA to the Scottish economy each year.

- **Increasing the working age population** – since 2011, the Borderlands region has experienced a 4% fall in its working age population, with a further fall of 4% projected by 2039, while England and Scotland are forecast to see working population growth of 8%.

- **Delivering inclusive growth** – the local rural geography makes it challenging to deliver inclusive change, with many communities affected by poor access to services and opportunities, resulting in digital exclusion, an earnings gap, and unequal access to quality jobs and education.

While rooted in the strong collective commitment of each partner, strong leadership by the Chief Executives of each council in the Borderlands Partnership was crucial in the formalisation of the Deal. Together they negotiated with the UK and Scottish governments through a broader process which gave cities and regions the opportunity to bid for deals and funding. The Deal was formally signed in March 2021.[82]

The Deal exemplifies an innovative and unique approach to governing a cross-border collaboration, taking a systemic design approach to establishment, planning and delivery. While the existing partnership was an important springboard, additional governance structures and mechanisms were necessary to formalise the Deal and its associated funding package.

- **A formalised, legal agreement that allowed cross-border collaboration**: A formal Collaboration Agreement was established by the five councils to navigate the legal, accountability and risk complexities related to different political, cultural, legal and financial contexts.

- **Alignment of the Deal to each partners' strategic focus**: The Deal brings an integrated investment package that intentionally aligns and reinforces both the UK Government's economic strategies and ambitions in Scotland's Economic Strategy, ensuring mutual benefit.

- **A strategy-led, portfolio approach that balances transformation with agility**: The Deal adopted a strategy-led approach anchored to four themes which mutually reinforce each other's intended outcomes. For example, in order to encourage a greener society and create conditions where businesses can thrive, the Deal must also ensure that the region creates spaces that attract and retain residents. This, in turn, requires an enabling infrastructure that is fit for purpose. The Deal also embraces a portfolio approach to driving major transformation while allowing for flexibility to be responsive to new opportunities. In addition, it seeks to strike a balance between high profile place-based projects and Borderlands-wide transformational programmes.

- **Tailored governance promoted flexibility while maintaining rigour**: The governance structure consists of a Partnership Board comprising leaders of the five boroughs and the Chair of the Economic Forum. The forum complements the Board by eliciting the insights of key stakeholders (e.g. businesses) and community members and acknowledging their influence in driving better outcomes. The Board is co-chaired by a leader from a Scottish authority and an English authority, each of which takes on the role for a year. This structure allows for effective decision making which balances the joint perspectives of the individual countries and also ensures appropriate political linkages. It is supported by two Accountable Bodies that allow funds to be held and invested in each country. To ensure rigour, all projects undergo iterative business case and funding approval processes to ensure that they are feasible, sustainable, cost effective and will deliver on intended outcomes. These are supported by a Programme Management Office (PMO) which makes sure that robust programme measures are in place.

- **Evaluating impact was not an afterthought**: The importance of this Deal in achieving transformative socio-economic outcomes ensured that monitoring and evaluation were treated as a priority. The PMO facilitates an active, iterative and collaborative approach that delivers insights on performance measured against milestones, financial targets, emerging risks or anticipated changes for the Partnership Board, and produces a formal annual report. The process leverages a Monitoring Framework and performance indicators aligned with the UK and Scotland's strategic goals.

Importance has also been placed on improvement of the collaborative governance system itself, with the PMO currently leading work to reflect upon the last 12 months and identify opportunities to make the collaboration more efficient and effective.

81 Gross value added (GVA) is defined as output (at basic prices) minus intermediate consumption (at purchaser prices).
82 See https://www.gov.scot/policies/cities-regions/regional-growth-deals.

Novelty

The Deal is the first cross-border deal of its kind and serves as a unique rural example of innovative governance system dynamics. The UK and Scottish Governments took a "co-development approach", working with the Borderlands Partnership to populate the Deal with projects and programmes in ways that could draw in funding from multiple, complementary sources, while considering the nuanced policy, cultural and legal differences in the UK and Scotland. This intentional mix of projects and programmes, working across horizontal and vertical boundaries, makes the Deal unique in terms of content, and is aimed at achieving inclusive, sustainable common goals through collaboration across borders. The process was also formalised relatively quickly, with only three years elapsing between initial collective aspirations and the securing of an investment deal.

Impact and potential

While the Deal is still in its early stages, several projects have already been approved, funded and are underway. This is a testament to the strength of the Partnership and their project partners, as well as the understanding and trust invested in the Deal and its aims by officials in both the UK and Scottish Governments. These projects include the Energy Master Plan[83] project and the Digital Vouchers[84] initiative, the latter supporting businesses by leveraging better Internet access during the pandemic to help ensure their sustainability. An extensive evaluation framework is in place and will offer tangible information on the outputs and outcomes of programmes and projects into the future.

Right now, what is most promising and perhaps harder to capture through a formal evaluation framework, is the widespread positivity, enthusiasm and renewed sense of hope and optimism that the Deal has brought to the region. In an interview with OPSI, James Davies, Head of the Deal's Programme Management Office, explained that people who previously felt left behind are now inspired about the opportunities that will arise from the level of investment being injected into their community, a sentiment that has also been picked up and broadcast through local media. The real potential lies in the underlying ethos of the Deal, which aims to revitalise the entire Borderlands region, making it a place where people want to live and can fulfil their potential.

Challenges and lessons learned

The issues that arise with governing across borders are more complex than those linked to governing in local contexts. In this case, such complexities were driven by the different legal structures of the UK and Scotland governments, and the cultural, political and fiscal nuances in each jurisdiction. A key challenge for the Deal was to navigate such differences in a way that allowed collective commitment and collaboration, while addressing the different governance requirements for each partner. This was achieved through the Collaboration Agreement, the co-chair approach to the Partnership Board, and mechanisms which ensured that funding delegations were approved individually by countries, yet remained transparent. Moreover, one of the keys to the partnership's success is that politicians of all parties in the local area saw the desired outcomes as positive for the region. Accordingly, the initial proposition for the Partnership was accepted and encouraged by both the UK and the Scottish governments.

The Deal was also facilitated by strong levels of trust and collective commitment established through the Borderland Partnership, which emphasised the importance of human connection and relationships in creating fertile ground for open and collaborative governance systems. The process was characterised by a strong sense of openness, transparency, trust and mutual benefit, and a desire for co-operation that extended beyond individual agendas. The governance system ensured that information was shared equally and that decision making was undertaken in tandem among partners. Another success factor was the ability to demonstrate the tangible benefits of securing resources and investment and the associated potential for impact at a scale that would not have otherwise been possible.

The Deal has demonstrated that where common purpose, mutual benefit and collective commitment exist, it is worth taking the time and effort to create collaborative governance systems, as they can offer immense positive potential for economic and social prosperity.

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83 www.changeworks.org.uk/projects/borderlands-strategic-low-carbon-energy-masterplan.
84 Digital Borderlands Voucher Scheme Launched (https://www.carlisle.gov.uk).

Unpacking findings and lessons
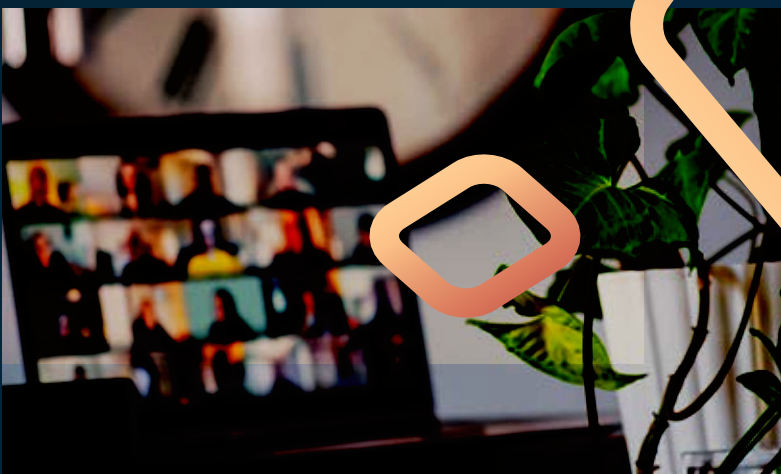
When successful, cross-border collaboration, broadly speaking, has been shown to have a wide variety of benefits, including regulatory effectiveness, economic and administrative efficiency (OECD, 2021f), managing risks across borders, enhancing knowledge flow (OECD, 2013b) and bringing about economies of scale (OECD, 2021a). Major benefits also accrue for projects that promote cross-border innovation in particular (see below).

These benefits can be seen in the governance mechanisms promoting cross-border government innovation discussed in this report. Governance bodies can set collective and strategic visions and objectives, and align the various components to address major challenges and implement global missions. Similarly, networks have the ability to bring together likeminded individuals as well as those from opposite sides of the spectrum to disseminate knowledge and innovation methods across borders, and with help of good co-ordination, serve in a sensemaking capacity for participant inputs. Innovative systems dynamics such as co-funding and co-governance can function as connective tissue to drive continuous alignment and stitch together ongoing interaction and collaboration.

If the potential benefits of strong governance for cross-border collaboration and optimal innovation are so great, then why aren't such approaches seen more often? Cross-border alliances of private sector companies and governance mechanisms to guide them have been a well-established feature of business organisations for decades (OECD, 2013a) – how can such approaches be encouraged for governments?

Governments pursuing cross-border government innovation efforts can benefit from an understanding of the challenges and success factors associated with broader (i.e. not specific to innovation) cross-border collaboration efforts. They can also benefit from an understanding of such factors specifically related to innovation projects, as surfaced by the Call for Innovations and OPSI workshops with experienced leaders and practitioners.

Making progress in cross-border collaboration

According to research, likely culprits that limit transnational and cross-jurisdictional collaboration are the major costs and challenges associated with co-operating across borders. Costs related to governance identified in the regulatory space, but that are also relevant to other types of collaboration, include additional layers of co-ordination, difficulty or rigidity of jurisdictions deviating from their norms, and real or perceived loss of sovereignty (OECD, 2021f). Fully understanding these costs and the benefits that accrue from cross-border collaboration is a separate and important challenge in itself (OECD, 2021f; OECD, 2013a).[85] Other

Besides the difficulty in understanding the impacts of cross-border collaboration efforts, governments also struggle with understanding and assessing adverse spillovers and transboundary impacts of their policies and actions. For more research on this topics, see the report Understanding the Spillovers and Transboundary Impacts of Public Policies: Implementing the 2030 Agenda for More Resilient Societies at https://oe.cd/transboundary-policy-impacts

work has found that such co-operation often involves diverse and often competing political interests and priorities, and that cross-border collaboration can complicate the governance of existing efforts to address major challenges (OECD, 2016a). An overarching challenge that cuts across different approaches and subject domains is the difficulty in providing credible assurances about the distribution of the costs and benefits of collaboration (OECD, 2020a, 2016a, 2013a, 2013b). Who pays and who takes? Is the distribution equal and equitable – and does it need to be?

This is not to say that cross-border collaboration is impossible, just that it can be difficult and it has its own nuances and complexities. However, such collaboration tends to be worth it – the OECD has found that when it comes to science, technology and innovation, the benefits of ambitious cross-border projects usually offset the added costs of increased administrative burdens (OECD, 2016a).

A number of key governance factors underpin successful initiatives, namely focusing on science-driven irrefutable facts, areas that involve global "goods" and global threats, and issues where there is a strong incentive for co-operation (e.g. clear economic gains). Conversely, cross-border efforts that force actors to collaborate when they have disincentives to do so (e.g. incompatible regulations that cannot be changed, absence of funding, or lack of quality partners) are simply not sustainable (OECD, 2013a).

Cross-border collaborations are also more likely to be successful when the objectives are concrete and narrowly defined, and concern new fields where interests are not yet entrenched. In relation to the latter item, OECD research has found that cross-border consensus is easier to achieve if it is sought earlier in the process rather than later (OECD, 2013b). This finding underlines the need for governments to be proactive rather than reactive. In the science, technology and innovation space, success factors also include mutual interest of participants, potential alignment between implementing agencies, and political commitment and budget. The definition of clear common missions, strategies and objectives has also been cited as a factor of the utmost importance (Castanho et al., 2018), and the existence of a co-funded secretariat to carry out work on behalf of the collaboration is of great value (OECD, 2013a). Finally, like many types of government efforts, trust serves as a foundational success factor as well as a challenge where it does not yet exist (OECD, 2013b; Yu-Che Chen et al., 2019). The most pressing global challenges of today, such as the COVID-19 pandemic, could be approached collectively in a way that is in alignment with many of these factors.

The OECD's work on International Regulatory Co-operation (IRC)[86] serves as a model for approaching these types of efforts and provides a concrete tool for co-ordinating between countries. The 2012 OECD Council Recommendation on International Regulatory Co-operation acknowledges that countries cannot act in isolation, and that they need to embed cross-border considerations in their domestic policy making. The OECD has also developed Best Practice Principles for IRC (Box 6) (OECD, 2021f). While these principles are aimed at co-operation in the setting of rules and standards, the same principles are broadly relevant for broader cross-border efforts, including efforts to strengthen governance to facilitate cross-border government innovation.

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86 www.oecd.org/gov/regulatory-policy/irc.htm.

Box 6: Best Practice Principles on International Regulatory Co-operation
Establishing the IRC strategy and its governance

- Develop a whole of government IRC policy/strategy.
- Establish a co-ordination mechanism in government on IRC activities to centralise relevant information on IRC practices and activities and to build a consensus and common language.
- Enable an IRC conducive framework (i.e. raise awareness of IRC and build on existing platforms).
- For co-operation, reduce anti-IRC biases and build in incentives for policy makers and regulators.

Embedding IRC throughout domestic rulemaking

- Gather and rely on international knowledge and expertise.
- Consider existing international instruments when developing regulation and document the rationale for departing from them
- Assess impacts beyond borders.
- Engage actively with foreign stakeholders.
- Embed consistency with international instruments as a key principle driving the review process in ex post evaluation and stock reviews.
- Assess ex ante the co-operation needs to ensure appropriate enforcement and streamline "recognisable" procedures.

Co-operating internationally

- Co-operate with other countries to promote the development and diffusion of good practices and innovations in regulatory policy and governance.
- Contribute to international fora which support regulatory co-operation.
- Use mutual recognition in combination with international instruments.
- Align IRC expectations across various policy instruments, including in trade agreements.

Source: https://oe.cd/irc-best-practice-principles.

Figure 12: OPSI workshop participants

Driving success in cross-border innovation governance

To better understand the specifics of governance for cross-border innovation, the OPSI analysed 104 in-depth case studies received through the Call for Innovations, and in June 2021, held workshops with 141 multi-disciplinary practitioners and leaders from 43 countries with experience in cross-border innovation to learn about their experiences (Figure 12). Both exercises sought to identify the benefits,

challenges and success factors associated with cross-border government innovation. The workshops also sought to gain participants' insights about what can be done to advance the state of play in this area.

Analysis of the top Call for Innovations submissions helped to demonstrate the potential for cross-border government innovation in terms of real impacts.[87] Figure 13 shows the top impacts of cross-border innovation projects, as identified by case study submitters. The results are promising, although they also hint at the immaturity of the field, as the most frequently cited impacts focus on softer elements such as shared learning, as opposed to implementing concrete actions, such as delivering cross-border services. The case studies on the Kvarken Council, the OED Network and the Borderlands Growth Deal in this report all constitute mature examples and echo these impacts, with the primary benefits being increased dialogue and partnerships, shared learning, potential for cross-border projects and services, and unlocking previously unobtainable investment and economic potential.

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87 OPSI received 104 case studies from the Call for Innovations. All submissions and selected 37 cases underwent deep analysis in line with their level of relevance, novelty, maturity, impact and clear and detailed documentation (see https://oecd-opsi.org/case_type/opsi/?_innovation_tags=cross-border-37). In particular, this analysis focused on the following fields: results, outcomes and impacts, challenges and failures, lessons learned and conditions for success.

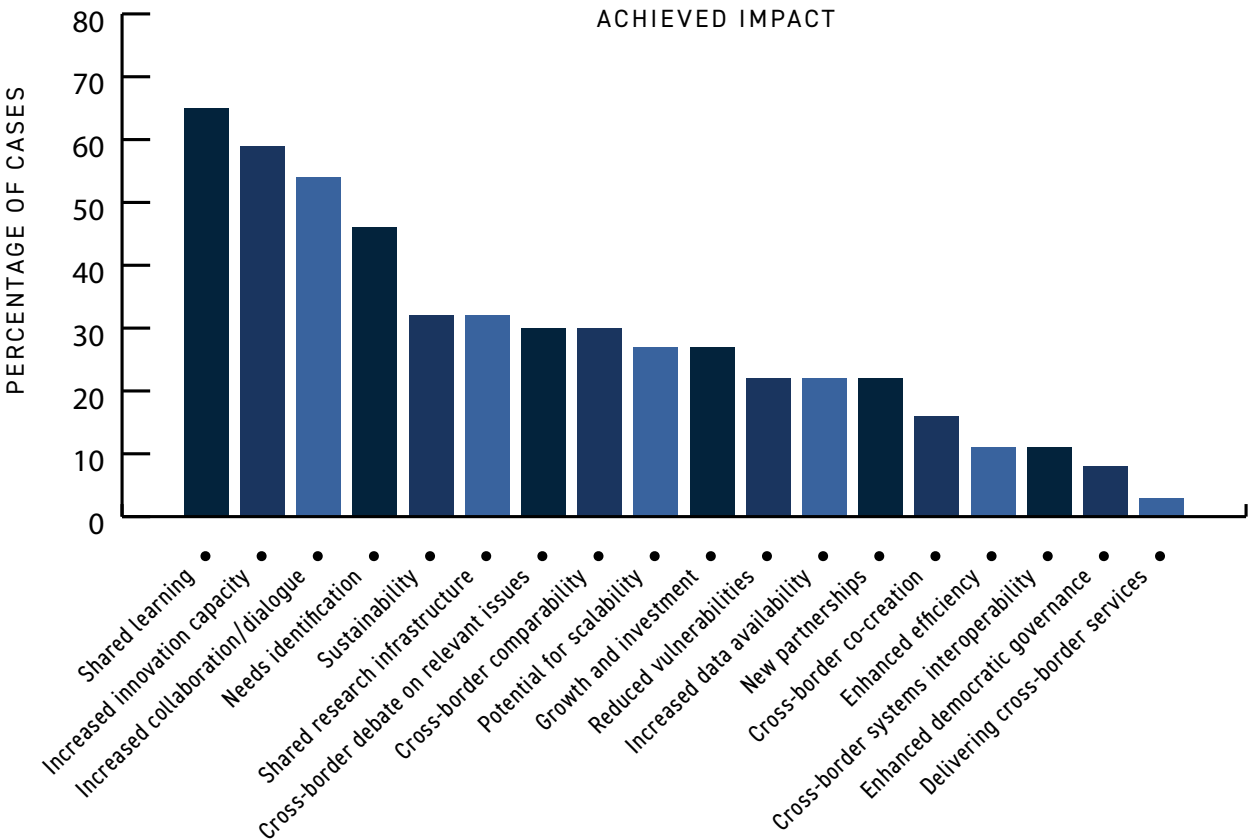**Figure 13: Top cross-border innovation benefits discussed by Call for Innovations submitters**

Source: OPSI analysis of 2021 Call for Innovations submissions.

Figure 14: Types of cross-border innovation governance challenges discussed by workshop participants

What challenges to cooperation exist?

Different organisational cultures & Ways of working	Understanding different structures & siloes	Lack of trust in the other parts	Who pays? Who Benefits?	Being on the same page of understanding & mutual goals	Lack of senior leadership buy in	Lack of shared frameworks (legal, political, cultural, regulatory, etc)	Establishing a functioning collaborative governance model	Lack of strategy	Perceived loss of sovereignty

Performative processes - outcome is known before partnership begins, so its all for show	Myth of neutral facilitator	Who is funding the collaboration & how that shapes the dynamic	Leaving assumptions behind	Individual interest superseding collective	"Othering"	Agreeing on "give-&-take" mechanisms	Difficult to be flexible to changing needs	Bureaucracy	Org structures & policies hinder collaboration

Differing motivations	Exhuastion around disruption	Regulations hinder shared ownership, governance	Navigating competing interests	Different values & beliefs	How to effectively involve citizens	Fear of failure	Resistance to sharing information & coordinating policies	Middle management resistance

Personal/ institutional conflicts	"Not invented here" syndrome	Lack of an ecosystem orchestrator/ intermediary agent with executive capacity	Lack of resources	Inconsistent data to record, measure, evaluate impact	Privacy & IP concerns	Lack of shared priorities (particularly in terms of timing urgency)	Procurement delays

Note: The items are listed approximately in order of importance as voted on by the participants, with the most important listed at the top.
Source: OPSI cross-border innovation workshops held on 3, 7 and 10 June 2021.

The real-world impacts demonstrated by the Call for Innovations cases show that cross-border innovation can be achieved and can yield significant results. However, a number of key challenges hinder progress. Aside from the complications arising from COVID-19, the most common governance challenges seen with these cases were difficulties with putting in place processes to understand the impacts and benefits of the cross-border efforts, and obstacles to obtaining the funding needed to initiate and sustain the work. Other governance challenges included navigating administrative boundaries and different frameworks (e.g. structures, legal, regulatory, etc.), understanding and addressing mutual needs, securing leadership and stakeholder buy-in, and a lack of

political support and stability. As shown in Figure 14, the OPSI workshop participants identified similar issues, as well as additional top challenges around:

· building trust
· lack of a strategy to guide collective efforts
· understanding and promoting equity of contributions and benefits
· differences in culture and ways of working.

These challenges can also be seen in the case studies in this report, with the main identified issues including fostering trust; administrative, cultural and political differences; navigating different legal structures and competing policy objectives; coping with limited resources and capacity among key partners; attracting funding and investment; and seeking equity in partnership representation and influence.

These challenges can be difficult to overcome, especially for governments who are taking their first steps in exploring cross-border innovation. Other governments can learn from those who have already achieved some success in innovating across borders. In addition, the top Call for Innovations cases yielded a number of factors that contributed to successful outcomes (see Figure 15).

Figure 15: Governance success factors discussed in Call for Innovations cases

Source: OPSI analysis of Call for Innovations cases.

76% Securing political support and strong leadership
57% Agreeing on a common mission/strategy/structures
57% Strong stakeholder engagement
38% Clearly defined role
30% Focusing efforts on common challenges
30% Cross-border funding
19% Trust among partners and stakeholders
16% Willingness to accommodate others' processes

The case studies illustrate the importance of these success factors in real-world projects. For instance, all three cases underline trust as a foundational element of success. The Kvarken Council and Borderlands Growth Deal demonstrate the importance of strong political support and leadership, as well as the importance of agreeing on a governance framework and a collective understanding of objectives. The Open European Dialogue (OED) and Kvarken Council also show the importance of strong engagement with stakeholders and partners in agenda setting, in order to secure buy-in and strengthen relationships, with a Kvarken Council representative stating "it's the people that co-operate, not the organisations".

More foundational and less apparent factors also come into play, as observed in some workshop discussions and interviews which discussed why certain initiatives failed to achieve their objectives. As seen here, securing political support and agreeing on a common mission and strategy are some of the most critical success factors. However, institutions put in place at the border are not just a function of the degree of political will, or of government capacity, but can also be reflective of specific state-building strategies. If those strategies are incompatible with neighbouring (or other) countries, cross-border governance structures will not take hold. Governments must therefore consider the extent to which success factors are in place and they can ensure compatibility with potential cross-border partners before embarking on major efforts. If these items are not in place, or cannot be introduced, pursuing cross-border innovation efforts may not make sense.

In terms of governance, this work indicates that many of the challenges and success factors for cross-border government innovation efforts are similar to those associated with cross-border co-operation more broadly. For instance, both types of efforts stress collaboration on areas where this makes sense (e.g. clear incentives or common challenges) (OECD, 2013b), as well as the need for political commitment and agreement on a common overarching vision and strategy. The OECD has found that developing these elements together fosters trust – and can be considered as both a challenge and a success factor depending on the circumstance, with long-term commitment and each partner maintaining their end of the relationship over the long term (OECD, 2013a). Building this long-term focus together, rather than concentrating on short-term gains, can also help partners look beyond the desire to ensure all costs and benefits are distributed equally, and instead see how these play out over time and develop a system of give-and-take that is acceptable to those involved. After all "the cost of *not collaborating* may actually be higher" (OECD, 2013a).

As noted earlier, it is important to create some form of formal or informal governance body and secretariat/team to carry out the work. As the opposite of a success factor, research from the European Commission has found that unsuccessful examples of cross-border collaboration in research and innovation are "characterised by a lack of reasons for the agreement, beyond the diplomatic ones, combined with a lack of responsibility for its implementation" (European Commission, 2020). This finding underlines the need for an agreed-upon mission and strategy and a body/team charged with carrying out the work.

To help overcome the challenges associated with cross-border government innovation and to encourage success factors, workshop participants brainstormed actions that governments can take both in the short and longer term (see Figure 16). In the short term, participants suggested actions such as providing incentives for collaboration, engaging in small experiments and pilots, being open and transparent about considerations and goals as related to potential cross-border efforts, and engaging and leveraging the insights of broad ecosystems of relevant actors and those who may be impacted. Shifting to the longer term, participants proposed building out actual mechanisms and instruments to support experimentation and collaboration, leveraging foresight to consider and act on different potential futures, and using the COVID-19 pandemic as a catalyst for bringing about completely new operating models.

Figure 16: Potential action items suggested by workshops participants
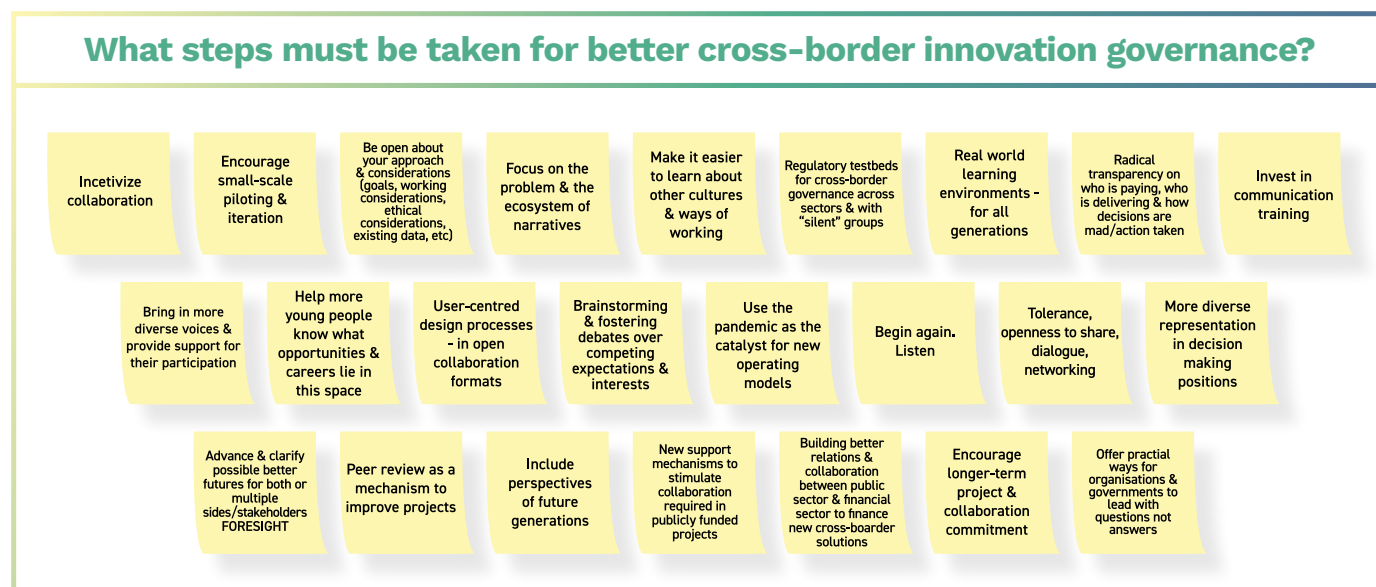
Source: OPSI cross-border innovation workshops held on 3, 7 and 10 June 2021.

More work needs to be done to explore these proposed actions and to more fully understand how governments can put in place governance structures to seize the potential benefits and overcome the challenges associated with cross-border government innovation. Over the coming months, OPSI and the MBRCGI will publish two additional reports that further explore different modes of cross-border government innovation. In addition, OPSI will be working with key experts and stakeholders to develop a playbook with practical guidance on how governments can support innovation through collaborating across borders and jurisdictions. In the meantime, OPSI and the MBRCGI have developed an initial set of recommendations, based on the findings of this report, that governments can use to strengthen their ability to govern cross-border challenges. These are presented in the next section.

Recommendations

Recommendation 1: Secure political and leadership commitment and advocacy from the highest levels of government.

Political and leadership commitment and advocacy for innovative governance approaches to cross-border collaboration are a prerequisite to being accorded priority status, influencing decision making, building confidence, securing funding and ensuring that necessary support and innovative structures are in place for successful and sustainable initiatives. Governments should pursue cross-border innovation efforts only where such commitment exists or can be acquired. Senior politicians and leaders play a key role in driving the adoption of innovative governance arrangements and methodologies, decision making, advocating for the initiative or cross-border partnership, and using their influence to remove obstacles and achieve ongoing success.

Recommendation 2: Pursue cross-border efforts only where these make sense and involve all stakeholders in establishing a clear vision and strategy for cross-border collaboration.

Cross-border government innovation efforts should not be pursued unless there is a clear imperative to act, such as a compelling challenge or an opportunity to address issues more effectively and efficiently as a collective than as an individual. Furthermore, cross-border efforts are best positioned where incentives such as mutual benefit exist and unchangeable disincentives (e.g. no possibility of funding, incompatible state building strategies) do not. If the effort makes sense, all partners should collectively articulate and agree on the challenges to be addressed and their drivers, an overarching vision, an adaptable strategy and roadmap with concrete objectives, and a charter that outlines roles and responsibilities for all partners and accountability mechanisms to drive mutual action. Openness and transparency among partners is critical to ensure that expectations are understood and to build a foundation of trust.

Recommendation 3: Ensure structural enablers are in place and explore relevant systems dynamics that can better connect partners and collectively guide work.

A system consists of elements linked together by dynamics that produce an effect. Creating or changing the elements and dynamics of a complex system requires new ways of approaching problems. Consider putting in place tailored governance bodies as elements to facilitate the initial vision and strategy development, and dedicated teams to help carry out the co-ordination tasks and work necessary to achieve objectives. Such roles should span boundaries and foster a common understanding of the context and practices of different partners, in order to enable alignment and compatibility in cross-border efforts, and facilitate stakeholder engagement and interactions. In addition, explore appropriate types of systems dynamics, such as co-funding, collaborative governance and joint services to help forge tighter connections and joint action.

Recommendation 4: Share costs and benefits related to collaboration, and be aware that benefits may take time to be realised and may not be distributed equally.

Cross-border government innovation efforts should involve a give-and-take from all partners, with each providing contributions relative to their ability and comparative strengths, and reaping some level of benefit. This necessitates open consideration and discussion of the capabilities, resources and needs of all partners. Partners must also consider long-term prospects and scenarios, as the relative distribution of contributions and benefits can change and evolve over time. It is important to consider upfront the costs and benefits among partners, with an understanding that the latter may take time to emerge and may be unevenly distributed. The goal should be a net benefit for all partners when compared against the costs of not collaborating.

Recommendation 5: Be a good partner and build trust by fostering strong relationships over time.

Cross-border innovations are highly dependent on relationships, trust and openness between partners. In other words, all partners need to be engaged, open and trustworthy. This involves contending with challenging topics such as mutual understanding, sharing power and decision making, being transparent about motives and expectations, and being willing to accept and work within the bureaucratic processes of other partners. Governments need to invest the time to foster sustained relationships that will allow partners to see each other's strengths, and to persevere during more challenging times. Cross-border innovation networks and regular informal gatherings can assist in this regard.

During the research for this report, OPSI workshops and the Call for Innovations, trust was repeatedly seen as a challenge (where it was lacking) and as a success factor (where it existed or could be developed). While it is not possible to develop a recommendation to simply "build trust", carrying out these five governance recommendations deliberatively and consistently over time, will help build an environment, culture and set of relationships that will establish a foundation of trust, and allow cross-border government innovation to flourish.

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