# Table of Contents

Just Transition in Appalachia ........................................ 4

Strategic Directions ..................................................... 6

- Sectors ................................................................. 6
- Entrepreneurship ..................................................... 8
- Appalachian Transition Communications and Policy .......... 9
- Economic Policy ..................................................... 10
- Organization Development ........................................ 11

Learning and Performance ........................................... 12

Geography ..................................................................... 13

Organizational Foundation ........................................... 14
We are pleased to release this new strategic plan shaping our next five years of work. The process itself is always extremely useful – considering our past work, seeking to understand what is going on in the state and the region and thinking through new ways that we can make a difference going forward.

The last five years of our work made meaningful contributions to the people, places and issues we care about. We supported the creation and retention of over 600 jobs. We invested more than $12.6 million in people to grow enterprises. We tested new ideas and built important partnerships to advance clean energy and smart forestry practice. We made serious contributions to the conversation about economic policy in the state and to the potential for change in the Appalachian region.

This plan is built on the recognition that we are in a terribly important time. The potential for real change is present today in Appalachia, the state and the nation. Deep economic challenges and a growing vision of a more just and sustainable future combine to create important and challenging opportunities. More and more national attention is focused on our region as our energy and political landscapes shift. We believe we must understand today’s reality while being ambitious about the change we seek to create.

Our next five years build off the last five years, with some important shifts. Some highlights include:

- Continued important work in the energy and forestry sectors while also exploring new sectors with potential for impact.
- Increased efforts to grow a supportive entrepreneurial ecosystem that helps businesses, non-profits and communities thrive.
- Support for the growth of statewide economic policy efforts to the benefit of all Kentuckians through the Kentucky Center for Economic Policy.
- Ongoing promotion of the conversation, stories and policy ideas that support a growing vision of just and sustainable change in the Appalachian region.
- Organizational development work that reflects our values of equity and diversity, supports a strong staff and builds toward long term financial health.

All of MACED’s work is made better because of our many partnerships across the state, Appalachian region and nation. We are excited about what is in front of us, and look forward to the good work that makes a difference to people in the communities and places that we serve.

Dr. Ron Eller, Chairman of the Board, MACED
Eastern Kentucky and Central Appalachia are regions of incredible assets—unique music, arts, culture and natural beauty help define the place; people know hard work and are creative; rich ecological diversity flourishes; and effective organizations and leaders are working to make a real difference.

For more than a century, the region made major contributions to the industrialization of the country as our coal fueled the growth of steel mills and the auto industry. Mining was a major path to the middle class for many and remains important to people. The industry has also created multiple and deep environmental, community and political challenges.

As we release this strategic plan, MACED, along with many of our partners and allies, believes we are in a particularly important moment in eastern Kentucky and Central Appalachia. Our understanding of the moment includes a key set of historical and recent factors: too little economic diversity has meant too few jobs; the long-term decline and recent acute job loss in the coal industry have deepened economic distress; the acknowledgement that the economic prospects for the coal industry in Central Appalachia look dim is becoming more widespread; and national recognition of coal’s human health, environmental and climate costs grows, even while the politics of the region remain entrenched.

Yet there is also a growing effort to create a new economy that works better for people and places. Young people, public-private partnerships, entrepreneurs and community organizations are creating new economic opportunities and looking for effective solutions.

While we have always faced change, the big transitions happening today require big solutions. These changes have stimulated a different conversation about the future which is opening the door to new opportunities. These changes don’t just matter here; they matter to the nation. If Appalachia can build a new, more sustainable economy and a more diverse energy future, it will produce instructive lessons for other regions. If the transition our nation’s energy economy must undertake does not involve those most directly affected, it will increase inequalities and deepen political discord, actually making it harder to move to real solutions.

We believe meaningful national headway on these issues must benefit regions like Appalachia and other coal-dependent communities if real progress is to be made.

No one thinks it is going to be easy, but there is a growing Just Transition movement in Central Appalachia based on the belief that real progress is possible. By Just Transition, we mean a regional movement that embraces a new vision of the future – people coming together and stepping in to new leadership opportunities – and combines this democratic vision with emerging economic models. Just Transition means ensuring a broad range of people and communities benefit from more equitable development and deepening democracy.

MACED believes that incremental progress is critical and to ensure we are moving in the right direction, we aim that progress at a broad vision of a brighter future. To us, that vision includes:

- Access to good, diverse and stable work and opportunities to get ahead.
- Meaningful public participation and broad access to benefits.
- Growing capacity of our people and communities.
- Protected and preserved natural resources and working landscapes—water, forests, land and air.
- An appreciation of our diverse assets.
- Respect for our past, people and places.

We know this vision of a Just Transition will take a unique combination of a whole range of strategies that don’t often come together. To us, those strategies include:

- New economic models that have the potential for large impact, and that produce broadly held wealth.
- Effective and transparent governmental action to help meet basic needs, ensure solid public infrastructure and health, and invest in a strong economy.
- An honest and ongoing public conversation about the future of the region.
- Strong community leaders and civic engagement efforts working toward a shared vision.

Just Transition in Appalachia
Electoral support that broadens the array of candidates for local, state and national office who believe in and work toward a brighter Appalachian future.

It is a daunting list, but we believe deep change will require these intentional efforts. No one organization can do all these things. Rather, each of these elements are a part of what it will take to build a better future. We believe we must be ambitious in naming what real long-term change looks like, even while we push for tangible results in the short-term. It will take many people, enterprises and organizations working together and separately to make meaningful progress toward a brighter future.

MACED helps create a Just Appalachian Transition through our four core strategies.

- Investing capital in enterprises and communities.
- Demonstrating development ideas.
- Engaging in research, communications and advocacy for policy change.
- Building entrepreneurial and leadership capacity.

This strategic plan defines how we will pursue these strategies over the next five years toward a Just Appalachian Transition.
Over the next five years, MACED will pursue five strategic directions aimed at advancing us toward our long-term goals.

<table>
<thead>
<tr>
<th>Strategic Direction 1: Achieve meaningful results in key economic sectors.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rationale</strong></td>
</tr>
<tr>
<td>We create synergies and the potential for impact consistent with our mission when we engage an economic sector through our four core strategies – investing capital, developing demonstrations, conducting research and communications for policy change, and building entrepreneurial and leadership capacity.</td>
</tr>
<tr>
<td>• When we develop sector expertise and knowledge, we are better positioned to influence the sector to produce the multiple results we want—positive economic, social and environmental outcomes.</td>
</tr>
<tr>
<td>• Working in sectors can help influence demand for a set of goods or services that generate positive results, either through the market or policy change.</td>
</tr>
<tr>
<td><strong>Desired Results</strong></td>
</tr>
<tr>
<td>Through our sector work over the next five years, we envision that:</td>
</tr>
<tr>
<td>• Our work in the energy sector continues to grow and deepen. Thousands of homeowners and hundreds of businesses are saving energy or benefitting from renewable energy; hundreds of new jobs are created; and new state policies make these innovations easier for people to access.</td>
</tr>
<tr>
<td>• Directions in our forestry sector work are gaining traction and generating significant economic and environmental impact.</td>
</tr>
<tr>
<td>• New areas of sector work are showing results as we build capacity, gain leverage and enlist partners in carrying out meaningful work. We are continually scanning for new sector opportunities, assessing our ability to have an impact and engaging at varying levels through one or more of our core strategies.</td>
</tr>
</tbody>
</table>
Approach

1. Continue and deepen our work in the energy sector through our core strategies.
   - Grow demand for energy efficiency and renewable energy production through research, policy change, coalition building, advocacy and demonstrations.
   - Scale up on-bill financing as a utility strategy through program development, financing support, workforce development and technical assistance.
   - Explore and, where appropriate, implement new ways to grow commercial energy efficiency.
   - Develop scalable renewable energy demonstration projects that prove viability through program development, smart partnerships and strategic communications.
   - Investigate and, where appropriate, implement new high-leverage opportunities to grow commercial energy efficiency.

2. Establish a new trajectory for our forestry sector approach by finding a solid implementation path for existing program work, identifying new opportunities, or both.
   - Identify new market opportunities for ecosystem services or other forest products that drive high-quality forest management practice.
   - Investigate and, where appropriate, implement high-leverage strategies that:
     » support certified and/or high-quality wood product enterprises;
     » drive high-quality forest management practices; and
     » positively influence the economic and environmental benefits of high-quality forestry and forest product production.

3. Identify and develop new sector opportunities. These may grow out of any area of MACED’s current work, through engagement with partners or funders, or via our analysis of the landscape and potential markets. We will assess sector opportunities utilizing the following criteria:
   - The sector provides tangible opportunities to advance at least two of MACED’s long-term goals.
   - At least two of MACED’s core strategies can be effectively applied.
   - The potential to have significant regional impact exists.
   - The sector has demand drivers and momentum that create opportunities for leverage.
   - MACED has or can obtain the capacity in a reasonable way to impact sector.
   - The sector has clear stakeholders and partners, and the potential to engage funders.

We will explore the potential of integrated sector work in several new sectors likely to include healthcare, local foods and tourism.
Strategic Direction 2:
Deepen connections and expand supportive systems that help entrepreneurs succeed.

Rationale

- Entrepreneurs have the potential to grow the local economy, create jobs and provide needed services throughout the region. They can also provide leadership in their communities.
- The region needs more skilled and effective entrepreneurs who can start and run successful for-profit and nonprofit ventures, including social enterprises. The region has a range of entrepreneurial supports but they are not well coordinated and large gaps in service provision still exist.
- Enterprises benefit from communities that provide a skilled workforce and viable markets for goods and services, while communities need successful enterprises to drive local economic development. Targeted support for enterprise development in the context of local community development efforts can add value to both and can also generate visible demonstrations of Just Transition.
- State economic development policy could be stronger and more targeted to the needs of entrepreneurs and their communities.

Desired Results

Through our entrepreneurship work over the next five years, we envision that:

- Hundreds of entrepreneurs and enterprises are functioning more effectively, generating quality jobs and creating meaningful income opportunities, particularly for low- and moderate-income individuals.
- Our entrepreneurship work improves the strength and performance of economic sectors that provide needed goods and services to the region.
- Entrepreneurs can easily access the resources they need through well-integrated systems that provide access to capital, training and technical assistance.
- MACED strengthens community-led enterprise development and revitalization efforts in two or more communities that demonstrate results, including new enterprises, more effective entrepreneurs, new projects and new asset-based economic opportunities. This work supports our growing understanding of how place-based entrepreneurial support can advance a Just Appalachian Transition.

Approach

Over the next five years, we will continue our broad-based lending and technical assistance while we significantly increase our efforts to build stronger contexts and connections that support new entrepreneurs, lead to new enterprise creation and help existing enterprises thrive.

1. Streamline our approach to identifying and providing financing and technical assistance to entrepreneurs and enterprises through effective systems, smart participations and the targeted strategies defined below.

2. Build a regional entrepreneurial ecosystem.
   - Create a stronger network of technical assistance providers.
   - Connect and coordinate a broader range of support actors including communities and educational institutions.
   - Advocate for better state, regional and local supports for entrepreneurs.
   - Ensure appropriate sources of capital are available to start and grow enterprises.

3. Engage in community-focused demonstrations by working deeply in at least two communities and more broadly in other communities. This will provide the context to:
   - Leverage our micro-enterprise work.
   - Develop deeper relationships and provide targeted support.
   - Identify potential for-profit and nonprofit enterprise opportunities.
   - Advance our learning about the role of place-based entrepreneurial support and capacity building.

4. Identify and support enterprises in selected sectors where MACED has developed expertise and is engaging its core strategies to grow markets and enterprises.

5. Explore new approaches and product development, including targeted support for social entrepreneurs, across our work.
Strategic Direction 3: Broaden the public conversation and promote policy change to advance Appalachian Transition.

Rationale

- Recent acute job losses in the eastern Kentucky and Central Appalachian coalfields, compounding five decades of steady job loss in the coal industry, present new economic challenges.
- Serious and focused work has happened over the last five years, built on a history of the previous 30 years, to make the case for a new economy and greater public participation. As a result, the public conversation in the region is changing significantly as more people recognize that the future of the coal industry does not look bright and that a more diverse economy is needed.
- Because the state is 93 percent dependent on coal for electricity, changes in the cost of fuels and new potential federal regulations to protect air, land, water and human health could have negative economic impact even while ensuring important protections. There is also real potential for the creation of new jobs and economic opportunity through the implementation of these policies.
- There is a need for examples and stories that help people understand that a brighter future is possible. There is also a need for specific development strategies with potential and new state and federal policy to support a Just Transition.
- There are many people, organizations and institutions in the region interested in contributing to a stronger economy and more effective democracy. For too long, politics based on limited interests have gotten in the way of building an economy that works for a broad base of people.
- All of these trends and forces intersect to create real opportunity to accelerate and deepen progress toward a brighter future.

Desired Results

Through our Appalachian Transition Communications and Policy (ATCaP) work over the next five years, we envision that:

- Public conversation in the region clearly advocates for growing a more diverse and participatory economy that produces quality jobs and builds on important regional assets.
- There is a strong and growing formal and informal network of organizations, enterprises and individuals working toward a shared vision of a brighter future.
- A regional development plan, informed in part by the work of MACED and our partners, is in place along with an ongoing planning process anchored by a shared vision with real public participation.
- There is meaningful investment from the state, national funders and the federal government in a Just Appalachian Transition.

Approach

1. Influence key audiences – particularly teachers, health-care workers, entrepreneurs, youth and out-of-work miners – through strategic communications to expand the base of engaged residents working on Just Transition.
2. Influence and strengthen regional planning and funding efforts through outreach, participation in existing efforts, research, convening and sharing best practices.
3. Promote state and federal policy that increases funding and supports sustainable economic development.
4. Deepen and develop strategic partnerships with key organizations and people to leverage other change strategies, coordinate action to maximize impact and develop a core set of actors advancing Appalachian Transition.
Strategic Direction 4: Build public support and advocate for better economic policy in Kentucky.

Rationale

- Addressing the economic challenges facing eastern Kentucky and the rest of the state requires policy changes that address fundamental needs in the economy including adequately funded public services, fair taxes, better wages and working conditions, improved supports for people in poverty, and stronger education and health care systems.

- State government plays a critical and growing role in the economic well-being of communities because of the devolution of government responsibilities to states and gridlock in Washington.

- After four years, the Kentucky Center for Economic Policy (KCEP) is now recognized and established as an independent research think tank that provides a values-based and credible voice on a range of crucial policy issues facing the state.

- Given existing political challenges, the path to policy change requires shifting the public conversation about the role of government and engaging with others on strategic policy efforts that can create meaningful changes in people’s lives over time.

Desired Results

Through our KCEP work over the next five years, we envision that:

- There is a growing public conversation that recognizes an affirmative role for state government in promoting greater economic opportunity for all and improving Kentucky’s quality of life.

- Fiscal and economic policies that would allow real progress are under consideration and actively debated in the legislature.

- Identifiable—if incremental—policy victories have been achieved that enhance economic fairness and the public good. There is also evidence that harmful fiscal and economic policies have been stopped.

- A growing network of organizations and leaders is aligned with KCEPs vision for the future and working together on advocacy strategies to move Kentucky forward.

Approach

1. Advocate for fair tax reforms that enhance the role of the state budget as a tool for advancing Kentucky, and work to defend against harmful tax reform.

2. Advance strategic opportunities on other state policy issues that would benefit low- and moderate-income Kentuckians. Issues may include wages and income supports as well as access to quality education and health care.

3. Grow the direct audience for KCEP’s work through expanded and more sophisticated communications efforts and strengthened relationships with allies and decision makers.

4. Continue to develop KCEP through increased individual and foundation fundraising and participation from stakeholders in KCEP’s planning and decision making.
Strategic Direction 5:
Develop strong organizational culture and systems that support high performance and a healthy workplace.

Rationale
- MACED’s values shape our external work and our internal functioning. We strive for our culture and systems to reflect our values—results, sustainability, equity, risk-taking, excellence, integrity, respect and the importance of place—to the greatest extent possible.
- We have a strong base from which to build including four decades of organizational development, a highly skilled staff and board of directors, a stable financial base, and a strong learning culture.
- Achieving our strategic directions for the next five years and maintaining a strong, sustainable organization will require deepening our shared understanding and application of our values throughout our work, systems and structures.

Desired Results
Through our organizational development work over the next five years, we envision that:
- MACED maintains a strong, high-performing staff recognized throughout the region for their expertise, experience and commitment.
- We provide effective, consistent and top-notch support to staff. Human resources, internal communications, operations, performance measurement and professional development systems are such that staff consider MACED an excellent place to work.
- Our shared understanding and application of organizational values guide the way we work with one another internally as well as our work with partners and clients. A working culture of appreciation, trust and open communication where all staff share responsibility for continuous improvement is the norm.
- Our board and staff are representative of the diversity, knowledge and varied experiences within the region.
- Our revenue is a well-diversified mix of grants from various sources and a growing percentage of revenue is from earned income.

Approach
1. Build a comprehensive system to support and enhance staff capacity through consistent opportunities for professional development and structures that foster ongoing learning.
2. Strengthen MACED’s performance management systems and culture to better measure and understand our progress. Increase learning and ease-of-use by improving organizational work planning, data tracking and reporting systems.
3. Optimize internal communication processes to appropriately enhance staff and board access to and understanding of ongoing organizational learning, decisions and issues.
4. Maintain strong operations and staff supports that enhance the work environment and promote an organizational culture aligned with MACED’s values.
5. Strengthen MACED’s board of directors and staff through intentional recruitment, leadership development and inclusion of voices representative of the diversity, knowledge and varied experiences within the region.
6. Ensure MACED’s ongoing financial strength.
   - Continue to diversify MACED’s funding sources through new communication strategies, relationship building and testing new fundraising directions.
   - Encourage continued growth of earned revenue through our programmatic work.
   - Support smart collections, risk rating and other systems necessary to support financial health.
   - Ensure that our net assets are being leveraged to the best strategic use through smart investment and borrowing.
We strongly believe that quantitative and qualitative measurements, while imperfect, are important to helping us understand our impact, refine our strategies and make course corrections as needed. Quantitative measures and targets describe clear, specific outcomes against which to measure progress. The clearer these outcomes can be, the more our program design and implementation can aim at achieving them. Qualitative stories and analysis allow us to go deeper, understanding a richer texture of experience that supports our learning.

MACED engages in the following activities to measure our progress toward desired results:

Five-year plan indicators. MACED will track a range of quantitative indicators that reflect broad progress on the plan. We will use our progress on these indicators to inform an annual evaluation of our progress.

Annual workplan with indicators. MACED will develop an annual organizational workplan comprised of team work plans which define quantitative indicators (including annual goals that relate to five-year plan indicators and other metrics) as well as opportunities to capture stories and other qualitative information.

Trimester reports. MACED staff will prepare trimester reports for the board that describe progress on annual goals and five-year plan indicators where appropriate.

MACED will use the following set of principles to inform our approach to measurement and learning:

- Be specific about indicators, measures and targets.
- Indicators, measures and targets should be informed by the long-term goals we are working toward and should change as major strategies shift.
- Stories and case studies are as important as quantitative indicators.
- Honest communication about unintended results or consequences is critical.
- Regular review of our results should inform changes in our work.
MACED will pursue its efforts within the following geographic priorities.

1. **Build a targeted Appalachian Kentucky strategy.**
   - Prioritize outcomes that benefit distressed and/or coal-dependent communities.
   - Prioritize efforts that can lead to regional impact, either by operating across multiple counties in the region or by being replicable and scalable.

2. **Promote state policy change that seeks to improve the quality of life for all Kentuckians, and that results in benefits that matter to Appalachian Kentucky.**

3. **Work in Central Appalachia through alliances and partnerships that grow sustainable development practice.**
MACED’s work is based on a foundation of ideas and beliefs that inform our approach. This foundation includes a broad analysis of the region, our organizational values, long-term vision and goals, and core strategies.

Analysis
MACED has a high-level analysis of the key forces and issues in the region. We believe the issues at play are complex, interdependent and connected. Although there are some important overarching trends, the region is diverse and changing. Central Appalachia has important assets and, while conditions have improved over time, the region faces difficult and entrenched challenges.

Assets
- Positive aspects of cultural and rural life including heritage, family, sense of place and community, music, and other arts.
- Effective local leaders and organizations working for meaningful solutions.
- Improving physical infrastructure.
- Growing examples of effective entrepreneurship.
- Ecological diversity.
- Natural beauty and resources.
- Growing recognition of the need for economic diversification and transition.

Problems
- Too many people and communities are disenfranchised and disengaged from democracy and public life.
- Levels of poverty and economic distress are among the highest in the country and contribute to other serious regional challenges (drug abuse, health status).
- Basic educational systems continue to underperform, higher education is difficult to access and educational attainment is among the lowest in the country.
- Significant environmental degradation (water quality, forest health, mountaintop removal) continues and limits future development options.
- Economic inequality is growing and social, racial and gender divisions remain major forces that work against progress.
- Too few meaningful jobs and economic opportunities exist and the economic viability of the coal industry continues to decline.
- Insufficient economic and community infrastructure exists to support vibrant community (such as workforce development, access to capital, entrepreneurial support, publicly owned facilities).
- Ineffective and even corrupt local government remains too common.

Causes
- Too few economic drivers (entrepreneurs, enterprises, sectors) of scale that meet people’s needs.
- Historical dependence on coal and timber as primary economic forces, and related results of that development.
- Historical disinvestment — public and private — resulting in too little public and private infrastructure.
- Small groups of elite historically supported by too little economic competition and the political system.
- Increased competition due to negative aspects of globalization.
- Political corruption.
- Often ineffective or even damaging public policy at local, state and federal levels.
Values

- Results – Meaningful outcomes for people and places in need.
- Sustainability – Long-term maintenance of the health of people, communities and the complex natural systems they depend on.
- Excellence – Constant attention to quality in all we do.
- Integrity and Respect – The foundation for our interactions with people in the region, partners, funders and each other.
- Place Matters – Local culture, history, natural beauty and identity are central to what is unique and important about Appalachia.
- Risk Taking – The complexity and persistence of the challenges we face require efforts that are creative, courageous, skilled and willing to fail.
- Equity – All people deserve fairness and our region needs development that is shared and just.

Long-Term Vision & Goals

MACED's vision for the region is sustainable development. We define it as a system of viable activities, enterprises and policies that build wealth for people in need, protect or enhance the environment, and support enterprises and empowered people. If sustainable development becomes widespread in the region, we believe the region's problems and their causes would be reduced and Central Appalachia would begin reflecting the best of its hopes, possibilities and potential. We recognize that such a vision will not happen overnight and will require the long-term commitment and efforts of a wide range of people, actors, communities and interests in addition to broader societal shifts beyond our control.

To help us more clearly define sustainable development and understand whether our work is heading in the right direction, we have identified the following long-term goals toward our vision:

- Strong and diverse economy.
- Increased family well being, particularly for low-income people.
- Healthy and protected land, air and water.
- Effective and accountable democracy.

Our work as a whole is aimed at contributing to progress on all four goals.

Strategies

Over time, we have identified a set of four interrelated core strategies that MACED uses as a package to promote change towards our vision:

- Invest capital in enterprises and communities.
- Demonstrate development ideas.
- Conduct research and communications for policy change.
- Build entrepreneurial and leadership capacity.

MACED also engages in a set of important support strategies that allow us to pursue our primary strategies.

- Build effective collaborations.
- Evaluate our efforts.
- Identify leverage opportunities for program development.
- Communicate clearly about meaningful results and stories.
- Raise sufficient capital and operating funds.
- Build strong organizational systems.
- Support and grow effective staff.

MACED believes that to address the scale of challenges the region faces, we must seek large-scale change through multiple approaches. While not sufficient alone, we believe our core and support strategies combine to provide us with the tools necessary to have major impact.