

Enabel: Transforming for greater impact¹

Enabel is the Belgian Development Agency. Following the recruitment of a new CEO in 2018, Enabel embarked onto a transformative journey that revisited its governance, organisational structure and culture to support its newly adopted strategy and increase its impact.

Enabel

Until 1998, Belgium's support to international development was directly carried out from its Ministry for Foreign Affairs. This arrangement did not offer the kind of flexibility and agility needed for this type of activities, however, so a separate agency was set up in 1998. In 2018, the mandate of this agency was broadened to include, on top of its traditional mission to carry out the development policies of Belgium, development missions for third parties, and other missions for the Belgian government, for example as part of its contribution to the sustainable development goals. The organization was also given greater management autonomy and a new name, Enabel. Today, it is active in 21 countries, has a staff of 2,200+ collaborators and manages a budget of more than 340 million EUR.

Formally, the agency has the legal status of a public limited company. Its board is appointed by the government, with the director of the international cooperation division of the Ministry for Foreign Affairs as observer. A management contract between the government and Enabel defines its long-term objectives and its obligations viz the Belgian State, and organizes the modus operandi for the approval of its missions in support of Belgium's development policies. Enabel has otherwise full autonomy on the way it manages its resources and projects.

Exhibit 2 summarizes Enabel's timeline.

Jean Van Wetter was appointed managing director of Enabel in 2018. For his appointment, the Enabel board innovated and recruited a professional head-hunter. Unlike his predecessors, Jean had no professional experience in the public sector nor in politics. Instead, he had worked for development NGOs, both in the field, in Africa and Asia, and in management positions.

The 2030 Strategy: # Act for Impact

One of the first things Jean did when joining Enabel was to work on a strategic vision for the organisation. The organization had until then seen itself mostly at the service of the Belgian government, which meant following the priorities of its development minister, no matter how often they changed. Jean felt this was incompatible with their ability to manage teams and recruit talent.

The 2030 strategy built on an in-house assessment of Enabel's external environment and strengths that involved the staff and the board. The assessment noted the recent developments in global challenges, changes towards more holistic approaches to development, and the increasing number of development actors. The assessment also noted that many of the countries chosen by Belgium as privileged partner countries for development cooperation were characterized by fragile contexts which required specific approaches.

¹ Date: April 2024. This case was prepared by Prof. Estelle Cantillon as a basis for discussion at the third UCB-SBSEM symposium "Business and Society" in May 2024. It seeks to describe, from the perspective of one protagonist, the transformation journey of their organisation and how they developed their governance and leadership model to support their sustainability ambitions.

The assessment also highlighted a number of strengths that set Enabel apart in the development ecosystem. With about 90% of its staff located in project countries, Enabel had deep local knowledge. Enabel was also recognized for its strong technical expertise. Finally, Enabel staff had developed an ability to adapt and work out creative solutions despite challenging or rigid contexts. These strengths made up the DNA of the organization (**Exhibit 3**).

This assessment and Belgium's policy orientations for development cooperation formed the basis for the 2030 strategy and ambitions (**Exhibit 4**). A central ambition in the new strategy was to move "beyond aid." Moving beyond aid meant changing the narrative about aid, from a somewhat paternalistic "we know better" attitude, to more inclusive and transformative activities that involved policy dialogue beyond the traditional development agenda, innovative financing instruments and partnerships with the private sector and non-traditional development actors.

Another central ambition – that originally caused some stir inside the organization – was to explicitly target growth and "double volume, triple impact". Given the existing ceiling on the financial contribution from the Belgian State, this would need to come from third-party sources, both governmental and non-governmental. As a reference, **Exhibit 5** shows the evolution of funding sources across the three main mandates of Enabel: international cooperation on behalf of the Belgian State, third-party funded projects and other public service activities carried out on behalf of Belgium. The total budget of Enabel went from 227 million EUR in 2018 to 340 million EUR in 2022, an increase of 50% in the space of 5 years.

The need for organisational alignment and cultural change

The adoption of the new strategy led to two follow-up questions: is our organizational structure adequate to support this strategy? Is our culture fit for this new strategy? The answer to these questions was a resounding no.

A "Strategy and Organizational Development" unit was set up to guide the organisational and cultural transformation in support of the new strategy. Organisationally, Enabel had been organized around four vertical divisions: human resources, operations, technical and sectorial expertise, and finance & IT. This structure was suitable when the organization saw itself as a service entity to the Belgian State, but not for a proactive development actor proposing new projects, developing new partnerships and tapping into new sources of funding. This led to the set-up of a "Global Partnerships" unit, directly reporting to the CEO. The management team was enlarged to include the units directly reporting to the CEO, including the "Strategy and Organisational Development" and "Global Partnerships" units, on top of the division heads.

Other changes were subtler but did convey the changes in priorities and approaches. For example, expenditures had long been used as the main key performance indicators (KPI) for the agency. Now, instead, impact became the focal KPI, shifting focus from the finance division to the operations division. Likewise, the "Beyond Aid" approach required a change in the ways of working with partner countries to identify holistic solutions that met the goals of all stakeholders. A training in authentic dialogue was offered to Enabel employees. By March 2024, about 50% of the staff had gone through the training, with 100% expected by the end of the year. Workshops with local policy-makers and other stakeholders became routine activities for Enabel country staff.

Collaborative governance

Collaborative governance was one of the hallmarks of the transformation programme for Enabel. Starting at the end of 2022, "circles" were created for all change projects designed to align Enabel to the new strategy and make it fit for the future. Circles cut across hierarchical and organizational lines

and operated alongside the existing organizational structure (**Exhibit 6**). They involved all internal stakeholders interested in working on the project. Anyone with an interest in one of the change projects could join. This was not restricted to the staff based in Brussels. Covid helping, people were comfortable with digital technology and distance was no longer a barrier. Job descriptions were adapted so that employees could dedicate up to 20% of their time to contributions to such projects. Each circle organized itself, allocating roles among themselves, independent of hierarchy. One person was appointed to report their propositions to the management committee. An external consultant accompanied the whole process.

Implementation was still ongoing in March 2024, but a preliminary assessment suggested that circles had managed to deliver some of their intended benefits, including the empowerment of talents across the organisation and better problem-solving and decision-making. It was clear however that they were not the universal magic bullet either. People differ in their level of comfort with non-hierarchical structures and their ability to manage ambiguity. Furthermore, the ability to dedicate time independent of hierarchical responsibility remained a challenge, despite the adaptation of job descriptions. Habits and culture are sticky.

Exhibits

Exhibit 1: Welcome page of the Enabel website

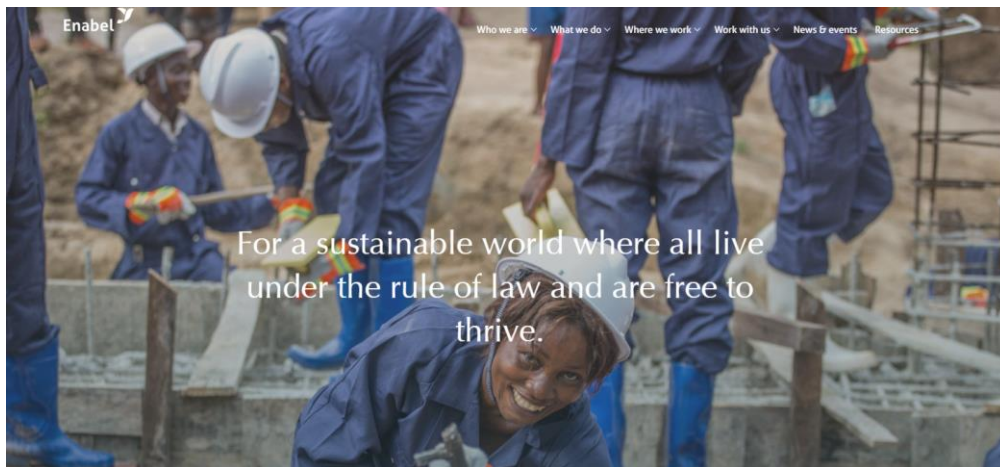


Exhibit 2: Enabel timeline



Exhibit 3: Enabel's strengths (DNA)

Our DNA

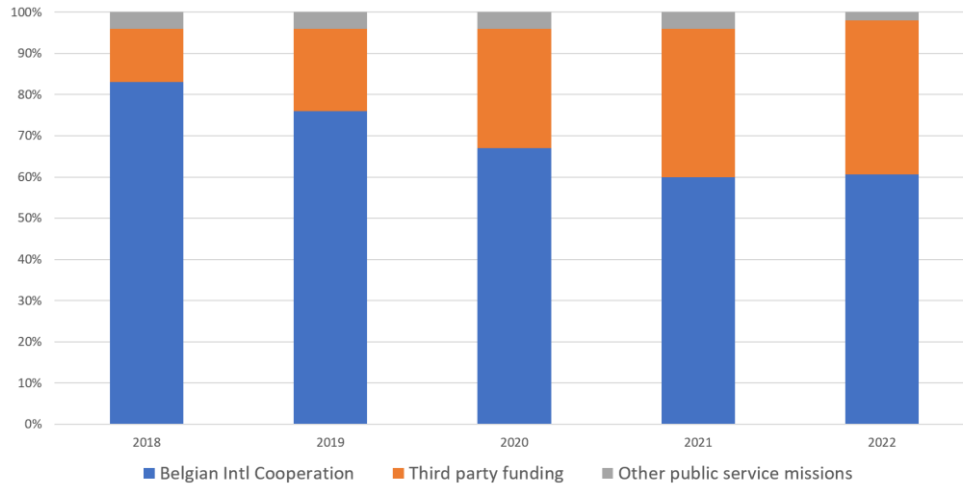


Exhibit 4: Enabel's 2030 ambitions



Because of the fundamental changes in our environment and in accordance with our DNA, we have agreed to retain 6 ambitions which we want to pursue until 2030.

Exhibit 5: Evolution of funds across activity types for Enabel



Source: Enabel Annual Report 2022-23. Belgian Intl Cooperation refers to the activities carried out under the traditional mandate of implementing Belgium's cooperation programmes; third-party financing refers to activities funded by the EU, other agencies or private donors; other public service missions refer to activities carried out for other ministries.

Exhibit 6: Enabel's dual governance

