

How to increase Enabel's impact through innovation?

Key findings from the Innovation Portfolio Review

Double volume and triple impact: one of [Enabel's key baselines of its 2030 ambitions](#). At the same time, it's Enabel's key motivation to invest in innovation and support its partners in reaching out to more people and creating more sustainable impact. But how to decide which challenges or innovation opportunities to prioritise over others? Such trade-off decisions are usually made without guiding frameworks or explicit strategies. A portfolio approach to innovation can help: it can codify what matters most for an organisation and help track innovations to eventually support the ones that are effective to unfold impact at greater scale.

Innovation portfolio management

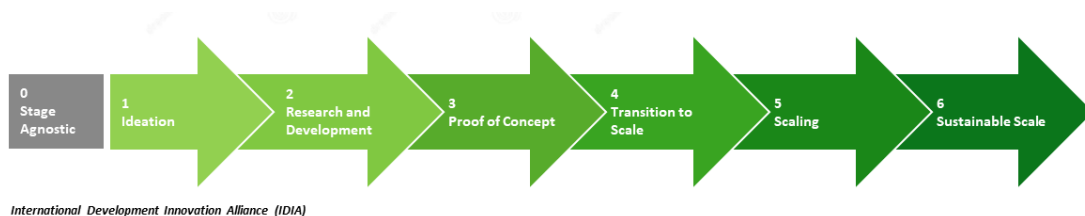
To enhance the effectiveness, scalability and relevance of innovation investments, Enabel started a collaboration with the OECD Innovation for Development Facility in 2022. The focus of this joint effort is on innovation portfolio management. The OECD has developed a [customisable approach for actors in international cooperation](#) to better align innovation processes, resources, partnerships and performance with organisational objectives.

Enabel's offices in Benin, Palestine and Morocco were involved in the collaboration, including two half-day workshops to build a baseline innovation portfolio. To establish an overview of the current portfolio, Enabel colleagues coordinated a mapping process with support of tailored guidance, building on Enabel's 'Innovation Strategy Note'. This mapping included data on the scaling stages and financial volumes of programmes that have innovation as their primary focus or that feature innovative components. Enabel colleagues were asked to assess the scaling stage based on [a framework of the](#)

[International Development Innovation Alliance](#). The entire service puts an emphasis on scaling, acknowledging that this is a multi-year, non-linear process.



The Process of Design Squiggle by Damien Newman, thedesignsquiggle.com



Strategic considerations of innovation at Enabel

To identify criteria that matter most for [Enabel's innovation efforts](#) and investments, the core team of Enabel stakeholders drew the following from the OECD catalogue:

- **Strong or nascent evidence base:** How well established is the evidence base of the development solution Enabel is supporting? What do we know about the effectiveness of each solution in different contexts? In other words: is the specific investment pursuing an approach that is largely untested or can we build on lessons from others?
- **Required capabilities:** If the specific innovation proves to be successful, can this approach, technology or business model be adapted across Enabel projects? Does continued work with this innovation require skills, technical know-how or changes to organisational rules?

- **Locus of interest:** What kind of partners and innovators are receiving support? Is Enabel providing funding to local innovators? To partners from other Global South countries? To innovators from Belgium or other high-income countries?
- **Duration of support:** How long – on average – are innovations being supported? Scaling pathways usually require time horizons of seven to twelve years.

Colleagues from the three country offices assessed all portfolio items against these key criteria, gauged the current portfolio performance and discussed how to evolve the portfolios in each country.

Here are some of the main insights. As a starter, the process revealed a fair number of innovation or innovation support activities, representing a considerable budget in the three countries:

- Benin: 44 activities, representing 10 million Euro on a total of 80 million Euro invested;
- Morocco: 27 activities, representing 6 million on a 30 million Euro budget;
- Palestine: 16 activities, representing 15 million on a 80 million Euro budget.

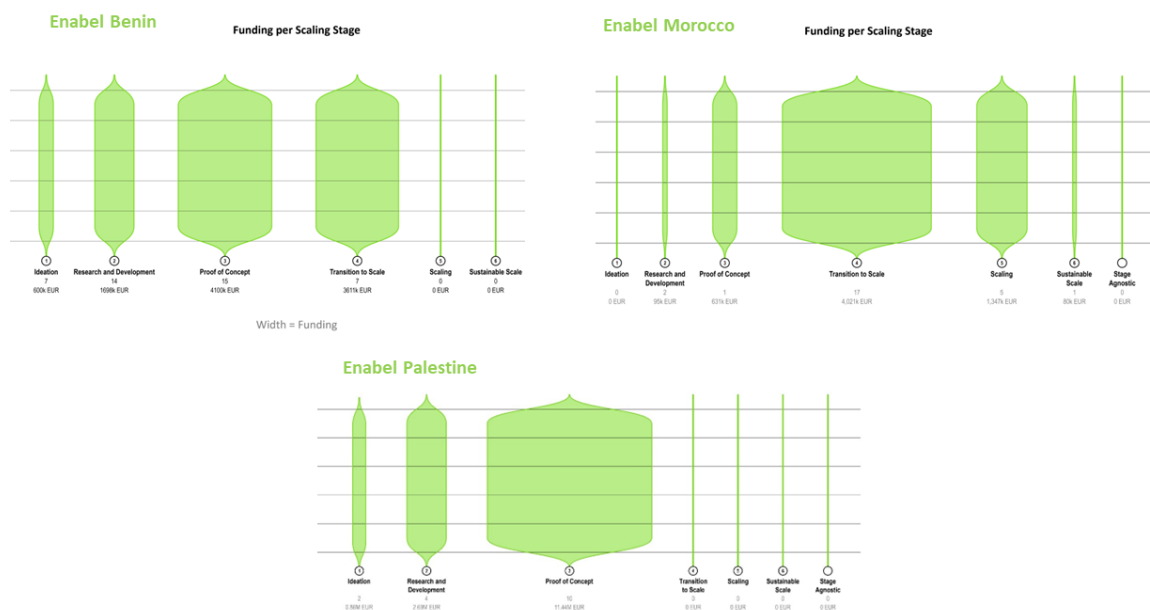
Need for a shared narrative on innovation

It became evident that Enabel and the teams across the three offices share [a challenge all too prevalent in international cooperation](#): **a lack of clarity on ‘what is innovation’ and how it relates to the tasks of colleagues and partners in various functions**. The process provided the space to discuss these questions along with elaborating what the concept of scaling means. The mapping exercise triggered useful reflections on the normative component of innovation: who does not want to be seen as an innovator?

The discussions during the workshops resulted in the important shared understanding that not more but more strategic and scalable innovation is needed.

Focus on a vision for appropriate scale from the start

The current distribution of funding across scaling stages in the three offices shows diverse pictures. Overall, the data suggest a distribution across stages with a solid focus on ‘the middle stages of innovation’ (‘proof of concept and ‘transition to scale’).



Shared understanding of scaling is key

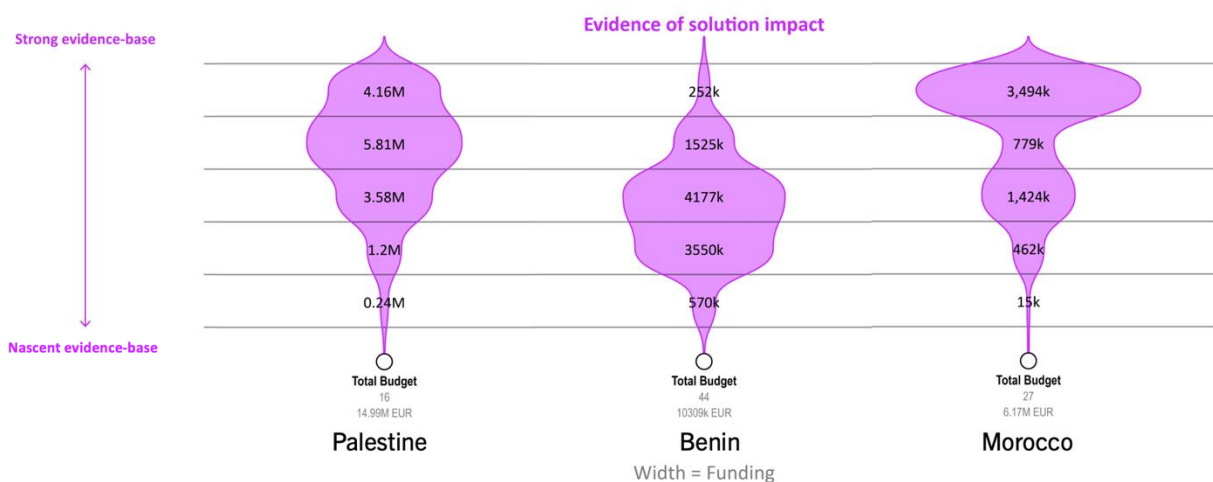
However, this also highlights how little financial efforts are devoted to scaling. The discussions triggered by these findings resulted in critical reflections regarding the current scaling practices. Not having a shared understanding of scaling and good practices when it comes to design for scale and support impact at scale throughout the organisation can cause difficulties for Enabel staff and partners in the long term.

Furthermore, many teams expressed a need for further guidance and tools to help assess the performances of innovations across the scaling stages, and to help with drafting scaling pathways and putting these into practice together with our partners. An important obstacle in this context is the average duration of support for innovations, which reflects the traditional Enabel programme cycles of five years. While Enabel globally is supporting staff with leveraging methods such as the human-centred design

toolbox to enhance problem specification and ideation efforts, colleagues across all offices expressed a need to invest in further competencies required for the continuous scale-up of innovations. This does not necessarily mean that Enabel should be responsible for the actual scaling but is willing to support partners in taking innovations to the scaling stage. In other words, in collaboration with partners, being able to design programmes and innovation initiatives with a scaling vision and to develop appropriate indicators for the different scaling stages.

Strategic innovation requires diverse indicators and a focus on evidence

Innovation might mean to adapt a solution or approach that already succeeded in another context, or to pioneer an entirely novel way of addressing development challenges. The further an innovation evolves along a scaling pathway, the more evidence will be produced pertaining to impact and value. Colleagues in all offices were asked to assess their programmes regarding their evidence-base: how much diverse evidence is there already regarding specific solutions and approaches? What do we know about the effectiveness of each solution in different contexts? In other words: is the specific investment pursuing an approach that is largely untested or can we build on lessons from others.



Not every innovation Enabel is supporting has a scaling logic, for example some investments target the strengthening of innovation ecosystems. But most efforts and investments indeed do pursue impact at an appropriate scale and require a sustainable

business model and a team that can learn and adapt to reach sustained impact at scale.

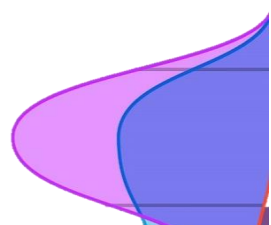
The process revealed a **strong demand for guidance and tools to track evidence for impact**. Colleagues across offices and teams also expressed a need to incorporate evidence-based reflections on scaling progress in the regular programme review processes to better inform our support approaches.

The central role of local innovators and ecosystems

Every innovation, every venture needs a 'line of sight' to achieve impact at scale. This line is nested in the local innovation ecosystem. The mapping of Enabel's investments revealed the **strong focus on local players and systems**, which is reflecting Enabel's DNA to act as a trusted partner of national and local (institutional) actors.

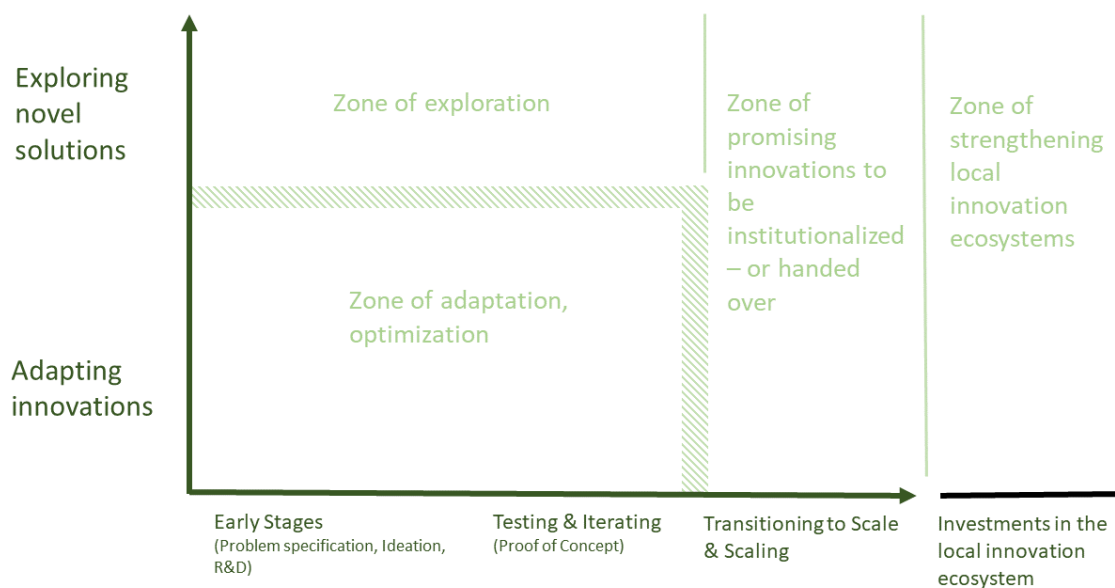
The aftermath

Following the workshops, the OECD team produced Portfolio Briefs for all offices and convened the core group of stakeholders to discuss next steps. **The exercise generated a great deal of enthusiasm among the participants. This enthusiasm needs now to be shared more widely within the Enabel teams through future initiatives.** The various lessons learned and recommendations are shared within the organisation and an internal working group on innovation is trying to inject new impetus into Enabel's various project cycles. Moreover, a transversal innovation approach has been integrated in the new bilateral country programmes for Benin and Morocco (2023-2028) to provide strategic guidance and put a premium on chosen priority domains for innovation.



What's next?

Moving forward, Enabel is developing a **user-friendly portfolio mapping framework, adapted to the innovation framework of the organisation**. This framework will inculcate the lessons learned highlighted above such as setting innovation targets, track regular progress, systematise scalability reviews, and explore pathways beyond the duration of traditional programmes. The model below was developed jointly by the OECD and Enabel during the collaboration and will now be further adapted, to eventually serve as a planning and tracking support tool.



Credits/Disclaimer:

This article was published in July 2023 and is the result of a collaboration between the OECD (Innovation for Development Facility) and Enabel. Contributors: Benjamin Kumpf (OECD), Mansi Agarwal (OECD), Toon Driesen (Enabel) & Philippine De Bruyn (Enabel).

Appendix:

Comparative Aggregated Innovation Portfolio view across Enabel's 3 offices.

(Figure below 'Total Budget' depict number of programmes and aggregated amount invested in innovation across these programmes.)

