EVALUATION BRIEF

A practical guide to monitoring, evaluation and learning at a portfolio level

About this evaluation brief

The evaluation brief draws on the 2024 evaluation of 'The Norwegian Aid Administration's approach to knowledge use in portfolio management'.

The evaluation was commissioned by the Department for Evaluation Norad, with Ida Lindkvist as project lead from the department's side. The evaluation was conducted by teams from Itad and Chr. Michelsen Institute, with Rob Lloyd as team leader.

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A practical guide to monitoring, evaluation and learning at a portfolio level

Management of development assistance at the portfolio level presents unique challenges to knowledge-based decision making, particularly in designing and implementing monitoring, evaluation and learning. This evaluation brief provides practical guidance to Norad portfolio coordinators, Section Heads and Department Directors on putting effective portfolio level monitoring, evaluation and learning in place.

Why is monitoring, evaluation and learning important to portfolio management?

A portfolio is a collection of measures which are designed to contribute to achieving higher level objectives and are based on a common underlying logic. Portfolio monitoring, evaluation and learning (MEL) is integral to understanding what overall results are being achieved and whether progress is being made towards the portfolio objectives. This is different to monitoring or evaluating specific interventions in specific contexts to understand whether and how they are delivering results. Portfolio-level MEL instead involves gathering evidence of results across the range of a portfolio's interventions, and conducting a higher-level analysis of the extent to which the broader outcomes and objectives of a portfolio are being achieved. A recent evaluation of Norad's use of knowledge found that portfolio MEL is not yet in place within the organisation. This brief therefore proposes an integrated approach to portfolio MEL.

Figure 1: Key evaluation findings about Norad's use of knowledge in portfolio management

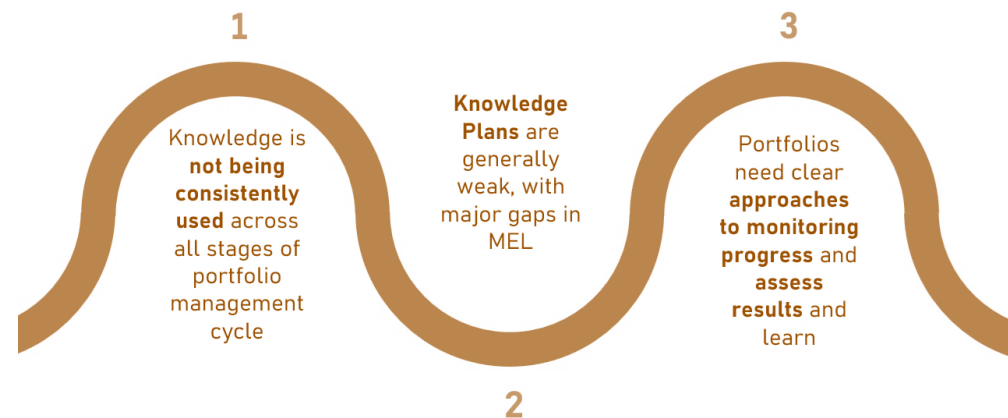**1** Knowledge is **not being consistently used** across all stages of portfolio management cycle

Knowledge Plans are generally weak, with major gaps in MEL

3 Portfolios need clear **approaches to monitoring progress** and **assess results** and learn

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Figure 2: An integrated portfolio approach to monitoring, evaluation and learning

Monitoring	**Design** **Portfolio Theory of Change (ToC)** that sets overall direction and details causal pathways **Strategic and operational questions** in Knowledge Plan (KP) that are linked to the ToC and that support portfolio decision making	**Annually**: using P-Dash, synthesize partner reporting and evaluations, with other knowledge, to make judgements on progress on individual partnerships
		Annually: using P-Dash and the portfolio analysis, synthesize partner progress with other knowledge (e.g. evaluations, context knowledge) to make judgements on progress against outcomes in portfolio ToC
Evaluation		**Periodic**: answer operational questions where monitoring data isn't sufficient, conduct focused evaluations or studies on aspects of the portfolio (e.g specific countries, groups of interventions)
		Every 3-4 years: conduct portfolio wide evaluation that synthesize monitoring data and additional primary data, to make judgement on overall portfolio results and contribution and answer strategic questions
Learning		**Periodic**: as needed, convene relevant portfolio team members and partners to review evidence from monitoring and evaluation related to operational questions, and reflect on implications and adaptations
		Annually: convene portfolio team to review portfolio analysis, assessment of portfolio progress and available evaluations, reflect on strategic questions and discuss strategic implications and adaptations

How can teams implement portfolio MEL?

Monitoring, evaluation and learning have distinct but complementary roles. They should serve portfolio management and feed directly into decision making. They should therefore be integrated into the portfolio management cycle and tailored to fit Norad's existing systems and touchpoints for decision making.

There are five main steps to implementing portfolio MEL (illustrated below).
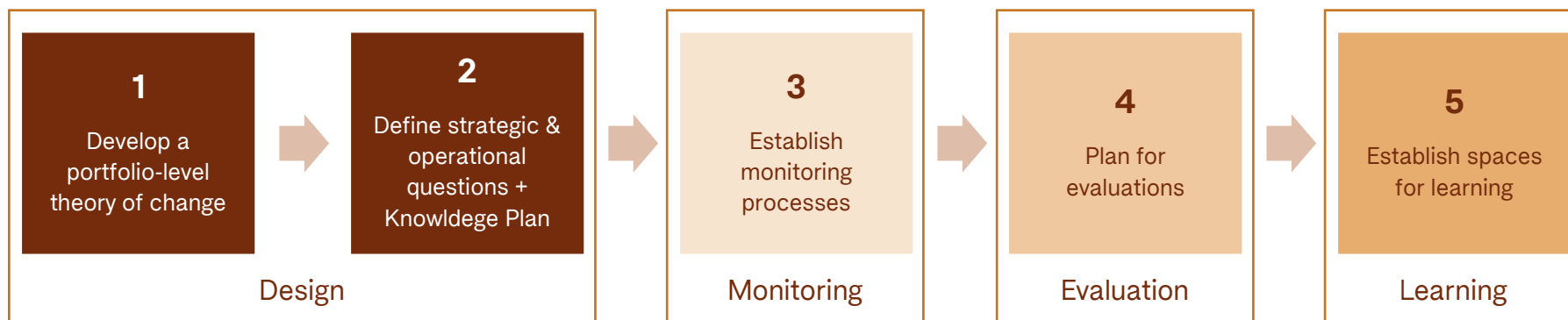
1. Develop a portfolio-level theory of change

A portfolio-level theory of change is essential for setting direction, integrating the work of a group of partnerships, and situating their combined contributions within the broader system.

To manage a portfolio, you need a portfolio-level theory of change to set your overall direction and provide a sense of how you plan, or at least think, you can get there. It is used to bring coherence to a portfolio of interventions linked by a thematic, sectoral or geographic focus. It allows for better, more strategic coordination of the interventions, grants and initiatives within the portfolio by clarifying their common underlying logic and identifying their collective contribution to

high-level Norwegian foreign and development policy objectives.

A portfolio-level theory of change is different to a project theory of change. It is higher level and should not try to map out every causal linkage in the theory. Rather it identifies:

- High-level portfolio objectives;

- how the portfolio sits within, and contributes to, the broader system;

- the connections between different projects within the portfolio.

1 Develop a portfolio-level theory of change	2 Define strategic & operational questions + Knowldege Plan	3 Establish monitoring processes	4 Plan for evaluations	5 Establish spaces for learning
Design		Monitoring	Evaluation	Learning

The table below sets out key differences between an intervention- and portfolio-level theory of change.

Intervention-level theory of change	Portfolio-level theory of change
Specific: Focused on a project or intervention and its intended results	**Systemic:** Targets broader, more systems-level changes within a single thematic focus arising from collective efforts of multiple partnerships
Narrow focus: Targets specific outcomes and impacts directly related to the project goals	**Broad:** Encompasses multiple projects and partnerships across an organisation or sector
Less complex: Involves discrete set of stakeholders, activities and outcomes	**More complex:** Involves multiple projects with different, interrelated activities and outcomes
Detailed: Includes detailed pathways to change, assumptions about how these are intended to work, and specific project inputs, activities, outputs, outcomes and impacts	**Conceptual:** Provides clear concepts of how broader changes occur that can be tested, giving a picture of progress towards overall portfolio goals
Operational: Used to guide the design, implementation and evaluation of the specific project	**Strategic:** Used for high-level planning, resource allocation and assessing collective impact

The theory of change should also specify what Norad's contribution will be, and where the points of entry within the system are likely to be. It should seek to convey how the system itself will have an influence on the way change is expected to happen.

Portfolios that span multiple countries may find it helpful to ground the portfolio theory in a specific country context. These country specific theories of change would then relate to an overall, high level portfolio theory. This can be referred to as nested theories of change.[1]

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[1] Mayne 2015

2. Define strategic and operational questions and a knowledge plan for your portfolio

Developing strategic and operational questions aligned with your theory of change will help you to plan a MEL approach that responds to management needs, supports decision making and tracks portfolio progress.

At its heart, portfolio MEL is about supporting teams to answer key questions: what is working? what progress is being made? How should we adjust and improve our management? These questions should be aligned with the portfolio-level theory of change, and driven by what you need to understand about the portfolio to manage it more effectively. These questions should be reflected in your Knowledge Plan.

There are two types of questions, which can have both formative and summative purposes. The matrix below gives examples of each.

- **Strategic questions.** These are big questions that you will answer over time: are we achieving the changes we expected? What's our contribution? Does this set of interventions lead to the intended outcomes? These questions are often set at the start of a portfolio and hold for its duration but can also develop over time in response to emerging priorities. These questions will enable you to review the status of the portfolio on an annual basis. They will also form the basis of portfolio evaluations (see details in section 4 below).

- **Operational questions.** These relate to things that are more short term: should funding should be scaled up to a particular partner? Are these interventions in a given context having the intended effects? These will be reviewed more frequently, as relevant – i.e. in portfolio team meetings, when developing a new call for proposals, or when a partnership is due to be renewed.

Once these questions are in place, the team will need to prioritise and select from them based on what's necessary and realistic.

	Formative	Summative
Operational	- How can we better support grantees to make progress? - How can we better spend resources across the portfolio? - How can we better support linkages, and with whom (coordination, collaboration)? - How can we improve learning processes across the portfolio?	- What has been the progress so far (activities, spend, timeframes)? - What has been achieved or is emerging (outputs, early outcomes)? - To what extent have participants been reached as intended? (reach) - What sense do we make of the portfolio's progress towards its overall aims?
Strategic	- Are we supporting the right partners?[2] - Where else could/should we intervene in the system (strategic entry points)? - What do we now know about the enablers/barriers to making progress towards the portfolio aims? - Who else should we be coordinating and collaborating with? - How can we better achieve synergies across the portfolio?	- What difference has been achieved (outcomes, impacts)? - For whom, in what ways, and under what circumstances? - What is the cumulative effect (across the portfolio)? - To what extent are these due to Norad's partnerships? What other factors have been important?

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[2] This can be considered when agreements expire, and when entering into new agreements.

3. Establish monitoring processes that build a picture of progress & support key decisions

Regular monitoring, based on relevant progress markers, will give you the right insights to make informed operational decisions, while forming one pillar of the evidence base for strategic decision making.

Monitoring provides regular evidence and insights that help manage the portfolio. Monitoring forms one evidence stream to help you answer operational questions as they arise. It also allows you to build up a bank of evidence to draw on when you're ready to answer strategic questions.

Since Norad has introduced the portfolio data management tool, P-Dash, portfolio teams can develop their use of this system to collate evidence from partners. This will be the evidence that Norad already collects: annual

[3] A rubric is a framework that sets out criteria and standards for different levels of performance and describes what performance would look like at each level (Dart et al 1998; Davidson 2004).

reporting, mid-term reviews, any evaluations, in addition to any publications or other data you have access to. Grant managers should initially do this at partnership level. Since this will feed into a portfolio-level analysis, grant managers will also need to consider the quality and utility of the partnership-level data.

Portfolios can supplement partner reporting with knowledge from more informal sources: meetings, conversations, feedback from partner or cohort events, and with their own context or sectoral monitoring. This includes any key information about the political, economic, social factors in affecting the contexts where the portfolio operates, relating to the assumptions in the portfolio theory of change.

The portfolio team also needs to decide on some overarching progress markers. These are the signals that will demonstrate that the portfolio is moving in the right direction. It's

challenging to use standardised indicators effectively, since contexts and interventions within a portfolio are typically too varied. They can also prove onerous for partners. It's more helpful to collate evidence using 'buckets' of indicators. A 'bucket' groups together indicators that, while varied, relate to a similar theme. This essentially allows you to sort knowledge and evidence in terms of its relevance to portfolio outcomes and associated progress markers. You then periodically review all the evidence collected and make a judgement about the progress being made. It's important to recognise that at portfolio level, the evidence may be contradictory or ambiguous, and that assessing progress will therefore require a judgement. Rubrics[3] can be a useful way of structuring these judgements, and ensuring they are robust.

It's helpful to plan space for sense-making, both within the team and with partners. This

allows you to talk through and reflect on what the monitoring evidence means. This could take place at a large-scale, formal meeting, or through an informal conversation with a few team members or partner representatives.

Teams will need to consider how to manage the evidence and insights being gathered, so that they can draw on these for both operational and strategic decision making. This should be available to the whole portfolio team, with all members able to contribute.

4. Plan for evaluations that surface the portfolio's overall results and progress

Evaluations will provide more in-depth, richer analysis of the portfolio's work, complementing the broader picture established by regular monitoring and assessing results and progress.

There are two main types of evaluation for Norad's portfolios to consider: whole portfolio evaluations, and smaller, periodic evaluations. The number and frequency of these is highly dependent on available budget. The minimum standard should be a whole portfolio evaluation every three to four years.

Depending on the quality of monitoring data, this can be achieved with a relatively modest budget.

The purpose **of whole portfolio evaluations** is to understand overall results achieved by the portfolio, the extent of progress towards portfolio objectives and the potential for future progress.

A theory-based evaluation can provide useful evaluative insights at the level of the portfolio. This will involve taking the portfolio theory of change and critically analysing it, reviewing evidence on progress (collated through monitoring processes) and taking deeper dives into areas of interest or evidence gaps. These could be country or thematic case studies. The evaluation will then involve a critical analysis of overall results, progress and potential – understanding of what works, for whom, in which contexts. In some circumstances, the evaluation may also involve analysis of Norad and its partners' contribution – though since majority of Norad's funding goes to multilaterals or as core funding, this will often not be possible. The portfolio team will likely need to

What types of knowledge should portfolio MEL include?

In line with other development funders such as Luminate and Mastercard Foundation, Norad defines knowledge broadly. This approach to knowledge should feed into portfolio MEL. The evidence base strengthened when teams are able to draw on a diverse range of knowledge types. This can include:

Professional knowledge: learning from people working in the sector, built up through experience

Operational knowledge: data from programme implementation

Technical knowledge: sector-specific knowledge, often grounded in research

Contextual knowledge: relevant information about the political, economic, social factors influencing your theory

commission an independent evaluation team to conduct these whole portfolio evaluations.

Smaller, periodic evaluations can be used to answer more specific questions about partnerships, programmes or portfolios of work. These can be tailored to specific portfolio or partner knowledge needs, ranging from deep dive case studies or longitudinal studies, to rapid, focused reviews of pressing issues faced by the portfolio or partners.

Periodic evaluations don't have a fixed size; they can help answer operational and strategic questions. The scope of the evaluation and the approach should be designed based on the question being answered and the budget available. Selecting from a diversity of evaluation approaches will ensure a robust, well-tailored response to the question being asked. Evaluations can be used to look at activities not conducted by partners, e.g. the impact of convening or influencing activities. Where needed, the Knowledge Department should support portfolio teams in planning and commissioning these evaluations, which could be conducted by partners, by independent evaluators or by Norad's independent evaluation department staff.

Norad management, Department Directors and Section Heads need to consider how to finance both types of evaluation. Two possibilities are 1) to consolidate the available consultancy budget to use it more strategically across portfolios; and 2) to aggregate the budget currently allocated to partnership-level evaluations to portfolio level and use this to fund more strategic portfolio-level evaluations. A further option is pooling a percentage of each partnership grant to create a fund for decentralised evaluations to which partners could apply, though this would depend on approval from the Ministry of Foreign Affairs.

5. Plan for evaluations that surface the portfolio's overall results and progress

Learning provides the final component and involves setting up processes for collaborative reflection and sense-making, which allow you to reach judgements about the direction and progress of the portfolio.

Learning involves bringing together what has been gathered through monitoring and evaluation and creating space for the team and stakeholders to reflect on the evidence and to discuss implications and next steps.
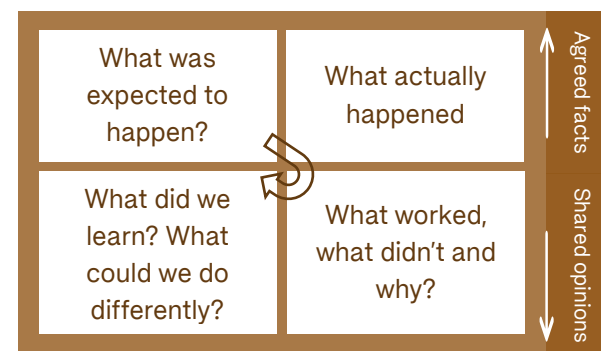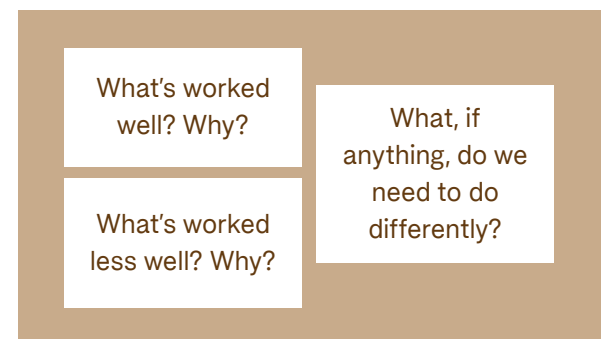
Convening stakeholders is key to this. Different voices bring different perspectives which support you and your partners to make sense of what is happening. This process also supports peer learning and builds connections within the sector. This could involve bringing partners together or inviting external stakeholders to share their opinions. This could be at events convened for this purpose or could be built into existing events.

Learning can happen at various levels and different points in time. It's helpful to think back to the strategic and operational

questions you want to answer and establish which forum will be the most appropriate space for reflection.

- High-level strategic questions should form part of the portfolio annual review. This is a chance to reflect on overall progress of the portfolio, to think about whether the balance of investments is right, and whether certain strategies are playing out as expected.

- Portfolio teams should plan a learning review to reflect on the knowledge gathered during the annual portfolio analysis. This could be facilitated by a team member, or by someone from the Knowledge Department. A simple framework can be used to guide the discussion. Looking at each outcome area of the theory of change in turn. The boxes below give some options for guiding the discussion.

Operational questions need to be answered more frequently, in line with what's happening at country, sector or partnership level. This will look different for each portfolio, but operational learning could take place as part of an action review after delivering a set of activities in a specific context, or as part of a visit to partners in a specific country.

What's worked well? Why?	What, if anything, do we need to do differently?
What's worked less well? Why?	

What was expected to happen?	What actually happened	Agreed facts
What did we learn? What could we do differently?	What worked, what didn't and why?	Shared opinions

Strengths	Weaknesses
Opportunities	Threats

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