

EVALUATION DEPARTMENT

Report 2 / 2020

Evaluation of the Norwegian Aid Administration's Approach to Portfolio Management



Commissioned by

The Evaluation Department

Carried out by

Itad Ltd. in association with
Chr. Michelsen Institute

Written by

Rob Lloyd (team leader), Aoife Murray, Espen Villanger,
Pauline Lemaire and Chris Barnett

This report is the product of the authors, and responsibility for the accuracy of data included in this report rests with the authors alone. The findings, interpretations, and conclusions presented in this report do not necessarily reflect the views of the Evaluation Department.

February 2020



Content

Foreword	5	2.4. Background to the Marine Litter and Tax for Development Portfolios	20
Acknowledgements	6	2.4.1. Programme to Combat Marine Litter and Microplastics	20
Executive Summary	7	2.4.2. Tax for Development	26
Chapter 1. Introduction	12	Chapter 3. Methology	31
Chapter 2. Background	15	3.1. Approach	31
2.1. What is Portfolio Management?	15	3.2. Validation Workshops	33
2.2. Why is Portfolio Management Important?	18	3.3. Synthesis	34
2.3. The Framework for Portfolio Management in the Aid Administration	19	3.4. Ethical Considerations	34
		3.5. Limitations	34



Chapter 4. Findings	35
4.1. Definitions and Understandings of 'Portfolio' and 'Portfolio Management' within the Aid Administration	35
4.2. Portfolio Governance	37
4.3. Portfolio Management	40
4.3.1. Setting and Refining Portfolio Objectives and Strategy	41
4.3.2. Developing and Refining a Portfolio Approach to Monitoring, Evaluation and Learning	44
4.3.3. Selecting Grants and Interventions that Align with the Portfolio Objectives	50
4.3.4. Managing and Coordinating Grants Towards Portfolio Objectives	55
4.3.5. Collecting, Analysing and Using Evidence to Learn, Adapt and Report	56
Chapter 5. Conclusions	58
Chapter 6. Recommendations	61

Annex 1: Terms of Reference	64
Annex 2: List of Consultations	68
Annex 3: List of Documents and Literature Reviewed	70
List of Annexes	71
List of Tables, Figures and Boxes	72
Acronyms and Abbreviations	73
Former Reports from the Evaluation Department	74



Foreword

Portfolio management implies active management of a given portfolio. Good portfolio management can result in better aid when results and evidence (research and evaluations) are used actively to inform choices, such as selection of partners and programmes. Ideally a portfolio is managed to achieve clearly defined objectives with a programme logic based on evidence and research. Portfolio management requires time, resources and capacity.

Not all development activities are or should be part of a portfolio, both because of the nature of the activity and the requirements to form a portfolio. Some activities fit better under an umbrella of similar or related activities. This means that it is necessary to decide which activities should be part of a portfolio to be actively managed, and which activities should be organized differently (i.e. organized as a group of projects in an umbrella).

This evaluation was triggered by previous evaluations of the Norwegian aid administration that demonstrated weaknesses in the use of results to inform and adjust programming. As a follow-up to an evaluation of the Norwegian aid administration's practice of results-based management, the Ministry of Foreign Affairs responded that they would select 'pilot

portfolios' and quality-assure objectives and theories of change for these, to make sure that portfolios have a coherent programme logic that can be used for management and learning within each portfolio. This evaluation aims to feed into this effort. We believe the evaluation provides important lessons for the aid administration to improve management of portfolios, to achieve overall goals of the portfolios.

The evaluation was carried out by the British consultancy company Itad Ltd. in collaboration with the Chr. Michelsen Institute, Norway. We are grateful to the team for a job well done.

Oslo, February 2020



Per Øyvind Bastøe
Director, Evaluation Department



Acknowledgements

The evaluation team would like to thank the Norwegian Agency for Development Cooperation (Norad) staff who participated in the evaluation for sharing their time and thoughtful reflections, and for their patience with our questions and enquiries about data.

Disclaimer

The views expressed in this evaluation report are those of the evaluators. They do not represent those of the Norwegian Agency for Development Cooperation or of any of the individuals and organisations referred to in the report.

'Itad' and the tri-colour triangles icon are a registered trademark of ITAD Limited.



Executive Summary

MAIN CONCLUSIONS:

- While there have been efforts to improve portfolio management, and notable progress in some areas, there continues to be weaknesses in the aid administration's approach that are hindering the effective and efficient management of aid resources. These include continued challenges in the use of evidence in the management of portfolios, the lack of a single agreed approach to portfolio management, weak portfolio governance arrangements, and inadequate investment in portfolio management capacities.
- This is leading to sub-optimal portfolio decision making, ineffective portfolio coordination, unclear accountability for portfolio delivery and performance, and under resourced portfolio management functions.
- As a result of these weaknesses, the aid administration is undermining the benefits of working through a portfolio approach, and as such, risks not having as significant an impact on development outcomes as it could.

Through a portfolio approach, the aid administration can bring together its grant making and wider normative and influencing work to have a more significant impact on important development challenges. A portfolio approach ensures different parts of the administration, and its partners, are working towards the same goals, helps create synergies, identifies overlaps and highlights redundancies. This also delivers better value for money.

In line with the central government requirement that Results Based Management (RBM) is used in the management of all public funds, the Ministry of Foreign Affairs (MFA) has initiated various efforts to strengthen RBM in recent years. However, a continued challenge has been how RBM is used at the portfolio level.

In its management response to the 2018 evaluation of the Norwegian aid administration practices of RBM¹,

¹ Evaluation of Norwegian Aid Administration's Practice of Results-Based Management (Report 4/2018).

the MFA committed to improving portfolio level RBM starting with identifying pilot portfolios and quality assuring their objectives and theories of change, to make sure the portfolios had a coherent programme logic that can be used for management and learning within each portfolio.

This evaluation is a contribution to these ongoing reform efforts. It provides an in-depth assessment of two portfolios – Tax for Development (TFD) and the Programme to Combat Marine Litter and Microplastics (henceforth ‘Marine Litter’)² – to understand how they have been designed and are being managed, looks at wider practices of portfolio management across the aid administration and among other donors, and based on this, makes suggestions for how portfolio management could be improved.

² Both portfolios were at the early stages of development and implementation at the time of evaluation. Draft portfolio documentation was used as a basis for the evaluation.

THE EVALUATION

This evaluation had four objectives:

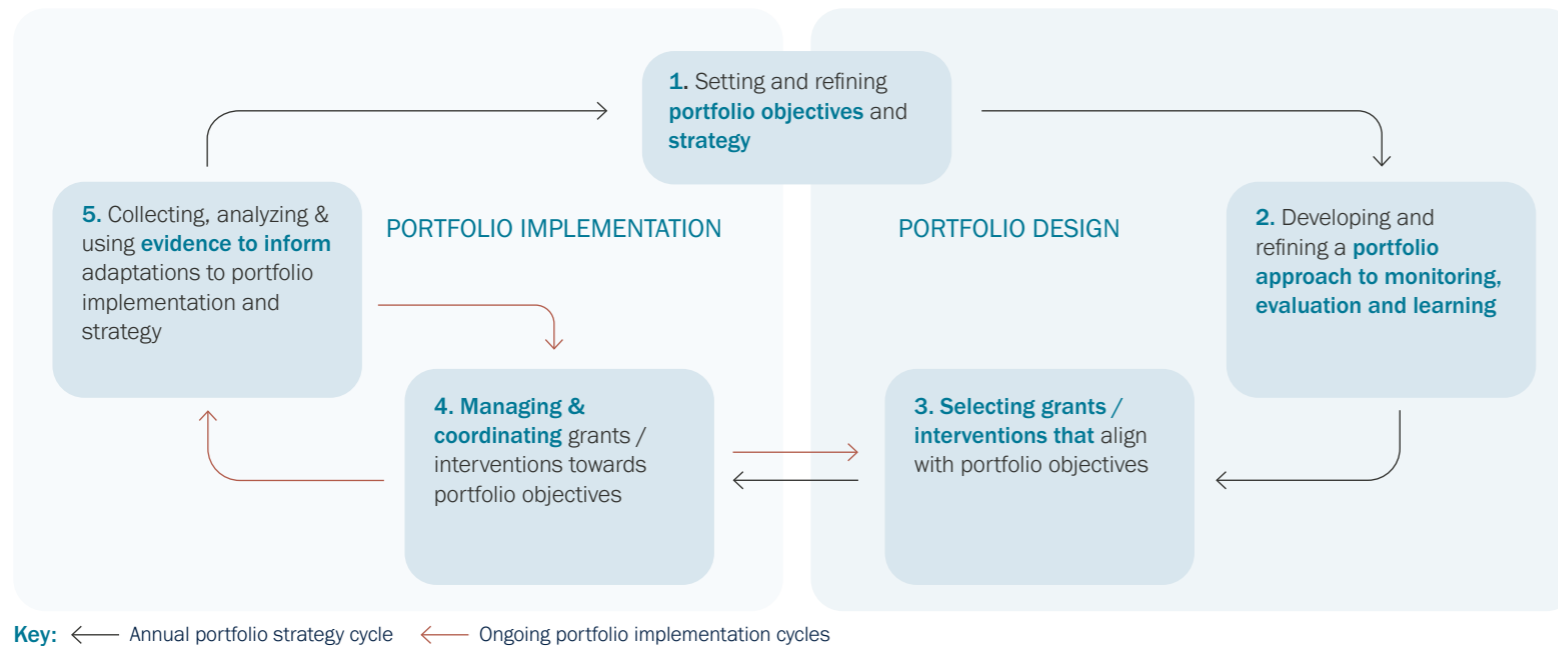
1. Identify the portfolios’ theory of change (ToC), assess whether they are coherent and evidence-based, and assess the strategic alignment within the portfolio.
2. Assess whether the portfolios’ governance structures support effective and efficient management.
3. Assess whether the portfolios are set up for learning and management for results, and have plans to collect evidence that is relevant, credible and timely, and that may influence decision making.
4. Suggest how the portfolios’ theories of change, governance structure and results management can be improved.

The overall goal of the evaluation is to provide the MFA and the Norwegian Agency for Development Cooperation (Norad) with information on the strengths and weaknesses of current practices that can be used to improve portfolio management.

For the purpose of the evaluation, we defined portfolio management as:

The management practices and procedures used to design, plan, organise and coordinate a collection of interventions, grants and initiatives towards the effective and efficient delivery of specific development assistance objectives. It involves setting overall portfolio objectives and strategy, aligning resources towards these, and then using evidence to oversee and coordinate grants and initiatives, monitor overall progress, learn and adapt, and report.³

³ This definition is slightly different from the one presented in our inception report. This reflects our evolved understanding of what portfolio management is, based on conducting the evaluation. The original definition was: a management strategy that seeks to ensure the efficient and effective delivery of development assistance by using evidence to shape portfolio strategy, inform the allocation of funds within a portfolio, and support ongoing management and coordination of grants and interventions towards. It is done through setting objectives, measuring achievement against these, using this to understand what is working and what isn’t, and based on this learning and adapting, and reporting.



Based on this definition, existing literature and practice, and the management wheel included in the Norwegian Directorate for Financial Management 2010 guidance on RBM, we have divided portfolio management into five steps (See figure above).

The evaluation drew on evidence from multiple sources, including over 30 interviews with stakeholders from Norad and the MFA, the Ministry of Finance, Ministry of Climate and Environment (MCE) and the Norwegian Environment Agency (NEA), three portfolio partners and five donor organisations; a detailed document review, including all current portfolio partners and experiences of portfolio management in other development contexts;

and two workshops with representatives from each portfolio.

KEY CONCLUSIONS

CONCLUSION 1: *While the aid administration has made progress in some areas of portfolio management, there are continued challenges related to the use of results evidence to inform portfolio level learning and management.* Through the evaluation we have looked at two portfolios in depth and conducted a lighter touch review of a sample of portfolios across the aid administration. Based on this, we found variation in how portfolio management is practiced, both between portfolios and across the five steps in portfolio management.

Practice around step 1 and 3 of portfolio management was generally good. Both Tax for Development and Marine Litter had objectives that set a clear direction for the portfolio (step 1) and used these to inform who and what they funded (step 3). They also both had developed a portfolio strategy that operationalized the objectives. We saw this practice across several other portfolios as well. None had portfolio theories of change. In selecting what to fund, both Marine Litter and Tax for Development reviewed the comparative advantage of partners and assessed their complementarity to deliver on objectives.

We found several good practices in how portfolios actively managed and coordinated grants towards portfolio objectives (step 4). While we have less evidence for this step, as both Marine Litter and Tax for Development are still in the early stage of portfolio implementation, we still found evidence of both teams using grant management to steer partners and encouraging greater coordination between them through activities such as partner events. This is a crucial step in portfolio management as it is where a portfolio transitions from design to implementation, and its where the active steering of partners and initiatives towards portfolio objectives happens. It is when adaptations can be made to portfolio strategy in response to changes in the context, synergies created

between partners based on emerging opportunities, and redundancies identified and managed. These are essential management practices in the effective and efficient use of aid resources.

Where we saw some of the biggest challenges in portfolio management, and some of the most variable practices, relates to step 2 (development portfolio approach to monitoring evaluation and learning) and 5 (collecting, analyzing and using evidence). Together these two steps operationalize the use of evidence in portfolio decision making and support the other steps. While Marine Litter and Tax for Development have used research evidence to inform the initial portfolio design and to inform funding decisions, they have not developed a comprehensive portfolio approach to monitoring, evaluation and learning. This is likely to affect step 5, and will make it more difficult to use results evidence to inform ongoing portfolio management. We found that other more mature portfolios also struggled in this area. Without a comprehensive view of what evidence is needed for management, portfolio decision making will be based on intuition and best guesses, rather than an objective view of what is working and what isn't. As such, promising practices may not be recognized and scaled up, lessons not identified, and bad practice repeated,

and opportunities for synergies missed. The overall implication of this are that the potential impact of the portfolio will be reduced.

CONCLUSION 2: *Portfolio management in the aid administration operates in the absence of a single clear portfolio approach, process or guidelines.* Many of the challenges we describe above are a product of there not being a single clear portfolio approach within the aid administration that clearly describes what is expected of all portfolios. This is causing confusion. There aren't any established processes or standards for developing and managing a portfolio. In this vacuum, practices of portfolio management inevitably vary considerably.

CONCLUSION 3: *The governance of portfolios across the aid administration are not fit for purpose. The cross-cutting nature of portfolios' budgets requires units to work together. This requires formal cross unit governance arrangements. These are not commonplace across the aid administration. This is stifling effective coordination within portfolios.* Portfolios' budgets often cut across departments, units and sections, and even ministries. This means delivery is dispersed. This requires governance arrangements to be established to facilitate ongoing coordination. While both Tax for Development and Marine Litter had

arrangements with varying degrees of formality, from what we understand, this is not common practice across the aid administration. Without effective portfolio governance in place, the aid administration's ability to coordinate across multiple partners and initiatives will be challenging and the benefits of the portfolio approach will be curtailed.

CONCLUSION 4: *The cross-cutting nature of portfolio budgets also means accountability for portfolio delivery and performance is dispersed between units. Again, this works against the portfolio approach as there is no clarity on who is ultimately accountable for managing and delivering the overall portfolio, rather than just its component parts.* Another implication of a portfolio budget being split between different units, is that it can lead to no one unit having a clear mandate to manage a portfolio. When a portfolio aligns with a budget post and grant scheme rules, then the accountability for portfolio performance and delivery is clear. But, when a portfolio cuts across budget lines, which may be more common in the aid administration, then overlapping accountabilities are created. This produces ambiguity around who is ultimately accountable for the delivery and overall performance of a portfolio. Without this clarity, oversight and direction of the portfolio becomes challenging.



CONCLUSION 5: *Time and political pressures around the design and delivery of portfolios can impede and hinder good portfolio management.* Both the Marine Litter and Tax for Development portfolios, because of their high-level visibility and political importance, have faced pressures to disburse funds in short timeframes. This has created tensions with effective portfolio management. It has meant that more partners have been funded than is ideal given the capacities of the team. Partner capacity to absorb large amounts of funds has outweighed other factors in the selection of grants, and inadequate time has been spent conducting comprehensive assessments of the landscape of potential partners before starting granting. While we found some evidence of other portfolios having faced similar pressures, our evidence for this conclusion is primarily grounded in the experience of the Tax for Development and Marine Litter.

CONCLUSION 6: *The aid administration is not investing sufficiently in portfolio management capacity to enable effective portfolio management.* The Tax for Development Secretariat, has four full-time staff members dedicated to the portfolio, while Marine Litter, even though it has a large annual budget and is managing more partners, has a Programme Group with representatives that are not exclusively dedicated

to this portfolio. This places significant strain on the group, but also poses a major risk to effective portfolio management. We found similar variations in management capacity across the other portfolios we reviewed, with some like Tax for Development with full time staff dedicated to managing the portfolio (e.g. NORHED), and other with much more dispersed capacities (e.g. education). This capacity constraint is particularly acute for monitoring evaluation and learning. Many of the portfolios we reviewed are already stretched, and they struggle to undertake tasks such as synthesizing partner reports and distilling actionable lessons, in a meaningful way, on top of their existing responsibilities.

RECOMMENDATIONS

- 1.** *The aid administration should develop a clear and consistent approach to portfolio management.* This should identify the steps that need to be taken in the design of a portfolio, and the expected practices for ongoing management and adaptation. We suggest this be built around the five steps in portfolio management used in this evaluation.
- 2.** *The aid administration should institute a regular process of reviewing portfolio performance led by senior management.* Currently, other than the

annual reporting process to parliament, there is no formal, detailed review of portfolio performance. In the absence of this, there is arguably limited pressure within the system for portfolios to track progress and engaging in ongoing learning.

- 3.** *The aid administration needs to ensure that each portfolio has a single unit accountable for delivering the overall portfolio objectives.* The current practice of multiple Departments and Sections being accountable for specific components of a portfolio makes portfolio management challenging. One unit should be identified as being accountable for overall delivery and leading coordination with other units.
- 4.** *The aid administration needs to ensure that the management capacities of portfolio teams meets the needs of the portfolio.* The aid administration should assess management needs during portfolio set up. This should include a review of the level of resources required to generate the evidence needed for effective delivery (e.g. ad hoc research studies, evaluations, what-works syntheses, partner assessments etc.). This should then lead to financial resources being set aside in a portfolio budget for evidence generation.

Introduction

The Norwegian Ministry of Foreign Affairs (MFA) and the Norwegian Agency for Development Cooperation (Norad) (collectively referred to as 'the aid administration') have initiated various efforts to strengthen results-based management (RBM) in recent years, particularly in the management of grants. However, a continued challenge is how RBM is used at the portfolio level. This was highlighted in the 2018 evaluation of the Norwegian aid administration practices of RBM.⁴ Given the importance of portfolios in the aid administration as a unit for both the allocation of resources⁵ and management, strengthening RBM at this level is an important area for improvement.

Recognising this, in its response to the 2018 evaluation, the MFA committed to improving portfolio

level RBM starting with identifying pilot portfolios and quality assuring their objectives and theories of change, to make sure the portfolios had a coherent programme logic that can be used for management and learning within each portfolio.⁶

As a contribution to these ongoing efforts, this evaluation provides an in-depth assessment of two portfolios – Tax for Development (TFD) and the Programme to Combat Marine Litter and Microplastics (henceforth 'Marine Litter') – to understand how they have been designed and are being managed, looks at wider practices of portfolio management across the aid administration and among other donors, and based on this, makes suggestions for how portfolio management could be improved.

The evaluation has four specific *objectives*⁷:

- First, to identify the *theory of change (ToC)* of each portfolio and assess whether it is logically coherent and evidence-based (research and evaluations), and assess the strategic alignment within the portfolio.
- Second, to assess whether the portfolios' *governance structures* support effective and efficient aid management and implementation.
- Third, to assess whether the portfolios are set up for *learning and management for results*, and have plans to collect evidence that is relevant, credible and timely, and that may influence decision making.
- Fourth, to suggest how the portfolios' theories of change, governance structure and results management can be *improved*.

4 Evaluation of Norwegian Aid Administration's Practice of Results-Based Management (Report 4/2018)

5 Portfolio budgets vary in size. Tax for Development and the Programme to Combat Marine Litter and Microplastics (Marine Litter) portfolios have overall commitments of 1.6 billion NOK over five-year periods.

6 Terms of the Reference for the evaluation

7 These objectives are abbreviated from those outlined in the Terms of Reference (Annex 1).



The *purpose* of the evaluation is to provide the MFA and Norad with information on the strengths and weaknesses of current practices that can be used to improve the portfolio management of TFD and Marine Litter portfolios – and provide generalisable lessons for improved portfolio management of Norwegian aid.

To achieve this purpose, the evaluation is focussed on answering five main *evaluation questions* (EQs):

1. To what extent is the *design of the portfolio* (e.g. programme logic, goal hierarchy, ToC) evidence-based? [Relevance]
2. To what extent is there *strategic alignment* between the partners funded through the portfolio and the ToC? [Relevance]
3. To what extent is the approach to *portfolio management/governance* of the portfolio likely to contribute to the achievement of portfolio objectives? [Effectiveness]
4. To what extent is *efficiency* considered in the selection of partners and projects? [Efficiency]
5. What are the main *lessons learnt* and what are

the *recommendations*, both on portfolio management and at sector level for each portfolio? [Lessons and recommendations]

The evaluation took a *formative approach*, exploring how each portfolio approaches portfolio management, and working with them to identify areas and steps for improvement.⁸ To strengthen the generalisability of the findings we supplemented our in-depth assessment of the TFD and Marine Litter portfolios with lighter touch reviews of the management practices of six other portfolios in the aid administration and four other donors.

The report is structured in six sections. [Section 1](#) introduces the purpose, objectives and scope of the evaluation. [Section 2](#) provides background to what portfolio management is and why it is important, and introduces the TFD and Marine Litter portfolios. Alongside the introductions to both portfolios, we include the theories of change we supported both teams in developing. [Section 3](#) presents our methodology. [Section 4](#) describes our findings

⁸ The portfolios were identified by MFA and Norad as 'pilots' for strengthening portfolio management and are therefore, by design, opportunities for learning for the wider aid administration.

Annex 4–6 can be found as a separate document together with this report at www.norad.no/evaluation

which contains three subsections: definitions and understanding of 'portfolio' and 'portfolio management' (4.1); portfolio governance (4.2); and portfolio management and design (4.3). [Section 5](#) presents our conclusions, and [Section 6](#) our recommendations. The annexes include [1\) the original terms of reference \(ToR\)](#), [2\) the list of stakeholders we consulted](#), [3\) a list of documents reviewed](#), 4 and 5) the portfolio reviews and recommendations, and 6) the interview topic guides.

Throughout the report a number of terms are consistently used. For the purpose of clarity around their meaning, Box 1 (next page) provides a list of definitions.



BOX 1: DEFINITION OF KEY TERMS USED IN THE EVALUATION

Portfolio – a collection of grants, interventions and initiatives that together contribute to a common set of objectives and have a common underlying logic. It is a unit of management.⁹

Portfolio management – The management practices and procedures used to design, plan, organise and coordinate a collection of interventions, grants and initiatives towards the effective and efficient delivery of

specific development assistance objectives. It involves setting overall portfolio objectives and strategy, aligning resources towards these, and then using evidence to oversee and coordinate grants and initiatives, monitor overall progress, learn and adapt, and report.

Theory of change – an evolving explanation of how and why an intervention contributes to change. A ToC details the causal chain between interventions and outcomes, and the underlying assumptions. It is both a product (a diagram) and an ongoing process of reflection and learning about how change is happening in practice.¹⁰

Results evidence – evidence that relates to the performance of grants and portfolios. It comes from monitoring and/or evaluations. It provides a view of progress, but also helps understand what is working and what is not, and lessons for moving forward. It is drawn from reporting and/or evaluations at the grant and/or portfolio level.

Research evidence – the existing research that exists on a subject matter e.g. past evaluations, systematic reviews, literature reviews, case studies. It provides insights into the nature of an issue/problem, and what past experience suggests works best, in what context.

⁹ This draws on both the definition of portfolio articulated in the 2018 evaluation of RBM in the aid administration and the definition put forward by AMOR in the 2019 document on portfolio management.

¹⁰ Our definition of ToC is based on Vogel's 2012 definition. Key to this definition is that we are interested in the causal chain between an intervention and a change process. Our understanding of ToC is not independent of the intervention. Funnel and Rodgers have argued that a ToC is about how change is supposed to happen in relation to a certain problem in specific context, while a theory of action explains how an intervention is expected to produce the outcomes articulated in the ToC. In practice we find ToC combine both these elements, and as such we don't find this distinction in language helpful. Our understanding of ToC combines these two concepts.



Background

Portfolio management relates to the practices and procedures used to design, plan, organise and coordinate a collection of initiatives towards the effective and efficient achievement of objectives.

2.1 What is Portfolio Management?

Across other agencies working in development and the wider management literature there isn't a common definition of what a portfolio is. While there is agreement that it denotes a grouping of units, there is no clarity on what these units are, or at what level of aggregation they sit within an organisation.¹¹ For the purposes of this evaluation, we understand a portfolio to be: a collection of grants, interventions and initiatives that together contribute to a common set of objectives and have a common underlying logic. It is a unit of management. Importantly a portfolio involves more than just grants, it also brings together the aid administration's wider influencing and normative work.

Portfolio management relates to the practices and procedures used to design, plan, organise and direct/coordinate a collection of interventions, grants and initiatives towards the effective and efficient achievement of a portfolio's objectives. While there is no single or established approach to portfolio management, the literature¹² and experiences of other agencies¹³ point to several essential steps. These are detailed below.¹⁴ The first three relate to portfolio design and the final two to ongoing portfolio implementation. Figure 1 (next page) provides a visual overview of how the different steps fit together and feed into each other.

¹¹ Buffardi, A.L. et al (2019) Monitoring and learning for country-level portfolio decision making and adaptation.

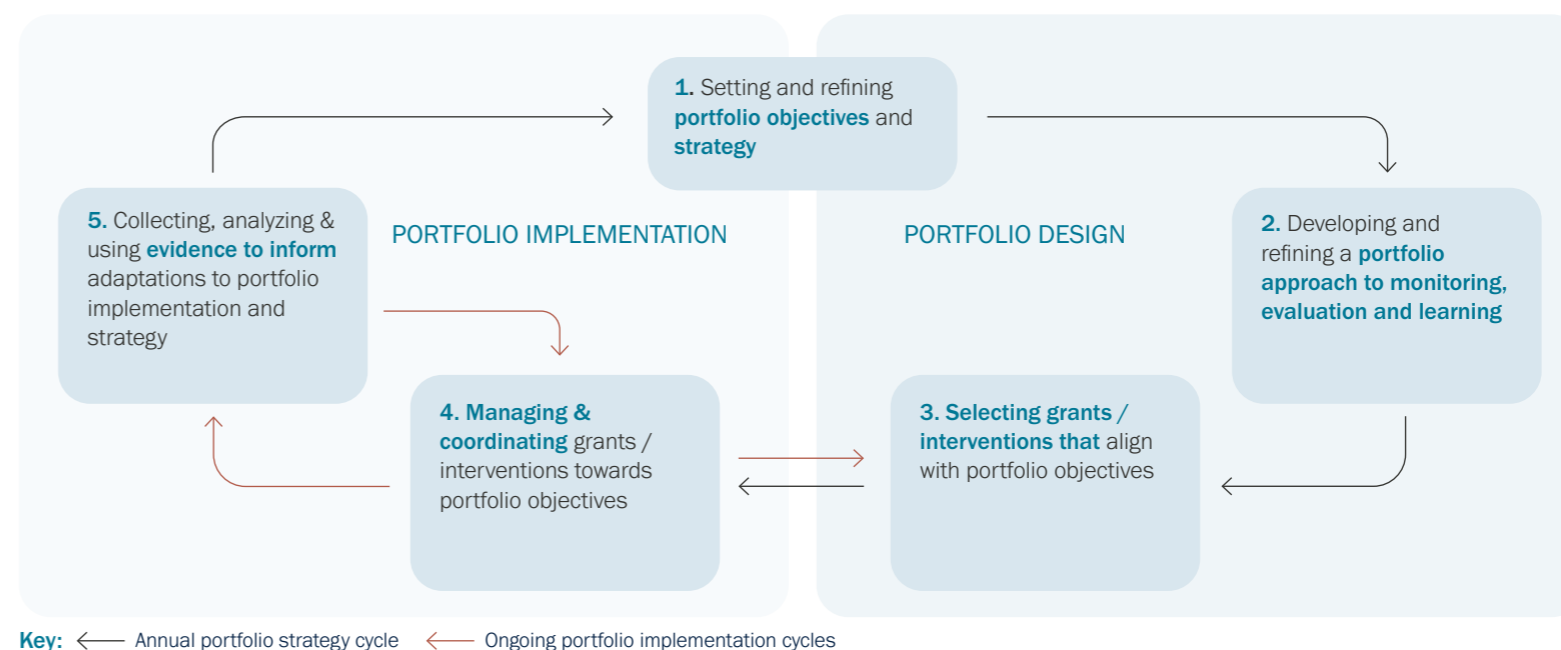
¹² Buffardi, A.L. et al (2019); ICAI (2018); Patrizi, P. et al (2013); Simister, N. (2016); Zwart, R. (2017) (See Annex 3 for detailed references).

¹³ UK Department for International Development; Ministry of Foreign Affairs, Netherlands; Ministry of Foreign Affairs, Finland and the Bill and Melinda Gates Foundation.

¹⁴ The steps cover most of the same steps detailed in the management wheel included in the original ToR for this evaluation (Annex 1).



Figure 1: The five steps in portfolio management



1. **Setting and refining portfolio objectives and strategy:** core to portfolio management is setting clear objectives for what the portfolio is aiming to achieve. This provides a clear direction for funding and activities. Alongside this should be a strategy, which details how the portfolio objectives will be achieved. The strategy is often accompanied by a portfolio theory of change which unpacks how change will happen. Reviewing relevant research evidence during the design process is important to ground the portfolio strategy in the best available insights of what works, as is using results evidence (partner reporting, partner or portfolio evaluations) to monitor progress and adapt the strategy once implementation has started.
2. **Developing a portfolio approach to monitoring, evaluation and learning:** based on the portfolio objectives, strategy and theory of change, an approach needs to be developed for how progress is going to be monitored, what questions will need to be answered and how to help steer the portfolio, and when learning will take place. This plan should indicate what management information will come from partner reports and what will be generated through other means (such as evaluations).
3. **Selecting who and what to fund:** Selecting the best mix of interventions, initiatives and/or partners to achieve the portfolio objectives is central to portfolio management. A portfolio might decide to disburse all its funds at the start of the portfolio strategy period, add partners in selective rounds, or on an ongoing basis. What is important is that there is alignment between what/who is being supported and the portfolio objectives, and if it exists, the ToC.
4. **Managing and coordinating grants, interventions and initiatives:** once resources have been disbursed, portfolio management involves:

1) oversight of the grants or interventions to ensure they are delivering on their objectives and remain aligned to the overall portfolio objectives; and 2) coordinating between grants or interventions to create synergies, manage relationships and share learning and good practices. This will sometimes create a feedback loop back to step 3, as managing the portfolio (and gathering evidence – see step 4), may lead to decisions being taken to increase funding to partners, redirect the focus of grants, stop funding, or support a new organisation.

5. **Collecting, analysing and using evidence to learn, adapt and report:** Central to effective portfolio management is gathering, analysing and using evidence to inform decisions. This can be research evidence which provides insights into what works or the nature of a specific issue; or results evidence that indicates how grants and the portfolio are performing. These should be used in different ways. Results evidence should be used to understand how individual grants and the overall portfolio is performing, what's working, what isn't and what needs to be adapted. This should inform, in an iterative way, the ongoing management and coordination of the portfolio of grants and inter-

ventions (step 4), and on a longer cycle feed into the periodic review and adaptation of the overall strategy (step 1). It also informs reporting. Wider research evidence should be used to inform the initial portfolio design (step 1), and to inform decisions around the future direction of the portfolio.

Based on the above steps, and for the purposes of this evaluation, we define portfolio management as¹⁵:

The management practices and procedures used to design, plan, organise and coordinate a collection of interventions, grants and initiatives towards the effective and efficient delivery of specific development assistance objectives. It involves setting overall portfolio objectives and strategy, aligning resources towards these, and then using evidence to oversee and coordinate grants and initiatives, monitor overall progress, learn and adapt, and report.

¹⁵ This definition is slightly different from the one presented in our inception report. This reflects our evolved understanding of what portfolio management is, based on conducting the evaluation. The original definition was: a management strategy that seeks to ensure the efficient and effective delivery of development assistance by using evidence to shape portfolio strategy, inform the allocation of funds within a portfolio, and support ongoing management and coordination of grants and interventions towards. It is done through setting objectives, measuring achievement against these, using this to understand what is working and what isn't, and based on this learning and adapting, and reporting

BOX 2: HOW PORTFOLIO MANAGEMENT RELATES TO RESULTS-BASED MANAGEMENT

Results based management involves setting objectives, collecting evidence to review progress against these, adjusting based on this and reporting. This approach to management is central to effective portfolio management and as described below, it is also central to the Norwegian government's understanding of what good management is. A portfolio design should draw on the best available research evidence of what works, then ongoing management should be based on the best available results evidence of what individual grants are achieving, how the portfolio is working together and what progress is being made against objectives. Without this, management decisions will be based on anecdotes and intuition and be susceptible to inherent biases in this way of managing. Evidence use brings greater rigour and objectivity to how decisions are made. Given this, we see portfolio management and result based management as one and the same. While a portfolio could be managed in the absence of evidence, we do not think this would be effective portfolio management.



2.2 Why is Portfolio Management Important?

Portfolio management is important for several reasons.

- **Strategic focus:** Aligning interventions, grants and initiatives that work on a similar issue or theme to a set of common objectives and actively managing them towards these creates strategic focus. It helps ensure different parts of an organisation, or investments, are working towards the same goals, create synergies, identify overlaps and highlights redundancies. This can deliver better value for money.
- **Greater impact:** Through a portfolio approach, the unique capacities of different organisations can be used to tackle an issue/problem. Issues such as marine litter or mobilising greater tax revenue are complex and multi-dimensional and cannot be solved through a single intervention or organisation. A portfolio approach recognises this and provides the basis for different actors to work together on different parts of the problem according to their unique skills and expertise, with overall coordination. This has the potential to deliver greater impact.

- **Balance risk:** A portfolio approach allows an organisation to manage risk. Viewing a single grant in the context of a wider portfolio of investments working towards a common objective reduces the risks associated with that grant failing. Taking a portfolio perspective also provides scope for balancing low risk, quick win initiatives, that can show quick results, with longer term, higher risk interventions, that if successful will have a catalytic impact.
- **Facilitate learning and improvement:** By breaking down siloes between organisations, building relationships between them, and offering spaces for learning and exchange, a portfolio approach can facilitate the sharing of good practices and lessons learned between actors. This can avoid organisations making the same mistakes as their peers and drive more rapid learning and improvement.
- **Improved sustainability:** Supporting partners in a portfolio to collaborate and build relationships can provide the basis for long term sustainability. A portfolio can build strong networks between organisations working on the same issue; these

can then for the basis for taking the work forward beyond the life of the portfolio strategy.

- **More efficient management:** Managing a collection of grants and interventions as a portfolio can create efficiencies in management. Rather than multiple reporting lines to multiple actors, a portfolio approach means that coordination happens through one actor. Standardised management procedures can also be developed, such as reporting against a common results framework. This can provide the basis for a more coherent narrative on what an organisation is trying to achieve through a range of investments, and the results it is achieving. This can help with external communication and reporting.¹⁶

¹⁶ While we present the use of common result frameworks as a benefit to portfolio management, it is important that they are developed and used in the right way in order to also be a benefit to partners. Key in this is finding the right level of detail. If a portfolio level results framework is too detailed and specific, it can limit the ability of partners to contextualize their work to different contexts and adapt to ongoing learning.



2.3. The Framework for Portfolio Management in the Aid Administration

There are several existing instruments and processes within the aid administration that provide the overall framework for portfolio management. These include: the government budget (Proposition 1), grant scheme rules, the grant management cycle and manual, delegated funding authority between MFA and Norad and the central government guidance on results-based management. Each is explained below.

The basis of portfolios in the aid administration lies in the government's annual budget proposal (Proposition 1). The budget is divided into a series of Chapters which align with specific development assistance themes or sector (e.g. Health.) Each Chapter is then sub divided into several posts, each with its own objectives. These are then operationalised through grant schemes and individual grant agreements.

Grant schemes are the administrative unit for a collection of grants with the same overarching objectives. From a management perspective, grant schemes are supposed to operationalise high-

level goals contained in the government budget by identifying more specific objectives and detailing what and who can receive funding. They also indicate whether and when evaluations should be undertaken of the scheme, and in some cases specify what indicators should be reported on. Grant schemes also provide a unit for summarising the results achieved by a collection of grants and reporting annually to the MFA. Grant schemes are considered the most common basis for defining a portfolio in the aid administration,¹⁷ however the reality is more complex than this.

Within the aid administration a portfolio is made up of several individual grant agreements. These might be with multilaterals, developing country governments, Norwegian public sector agencies, Norwegian and international NGOs, think tanks or research organisations. Depending on the organisation, the grant relationship may be managed by MFA, Norad or at the embassy level. All grant relationships are governed by the grant management manual. This outlines a detailed set of steps for selecting, approving, overseeing and closing a grant agreement. The grant cycle is annual.

¹⁷ Ibid.

Another key underpinning of portfolio management within the aid administration is delegated funding authority. While the MFA is the budget holder for each Chapter and Post, and therefore has ultimate accountability for all spending, it delegates authority to Norad (and other entities) to manage funds on its behalf. Therefore, while MFA, in theory, sets the overall policy direction, Norad operationalises this through the design and management of a portfolio of investments. In practice this relationship is more complex (see section 4.2).

The Norwegian government's approach to RBM provides the final element of the overall framework for portfolio management in the aid administration. This approach is grounded in several documents. Public Financial Management (PFM) regulations set high-level principles for how public funds should be managed. While not explicitly referencing RBM, the regulations set an overall framework for management across the Norwegian government (See Box 3 next page). Within this overall framework, the Norwegian Directorate for Financial Management (Direktoratet for Økonomistyring (DFØ)) has developed specific guidance on RBM that was issued in 2006. The guidance defines RBM as 'setting objectives for what the organisation should achieve, measuring results



and comparing these with the targets, and using this information both for accountability and learning in order to improve and better the organisation's activities.¹⁸ In addition, the guidance states that the purpose of managing by results is to 'increase effectiveness and efficiency'.¹⁹ Further guidance was issued by the Norwegian Directorate for Financial Management in 2010, which sets out RBM as a management wheel and strategy. Together both documents provide the basis for all management across the aid administration, including at the portfolio level.

18 Translated from Norwegian: "Å sette mål for hva virksomheten skal oppnå, å måle resultater og sammenligne dem med målene, og bruke denne informasjonen til styring, kontroll og læring for å utvikle og forbedre virksomheten." <https://dfo.no/fagomrader/okonomiregelverket/ord-og-begreper/glossary/m/mal-og-resultatstyring/> accessed 31 January 2017

19 Translated from Norwegian: «Hensikten med mål- og resultatstyring er å øke effektiviteten og få mer ut av ressursene ved at underliggende nivå får frihet til selv å bestemme hvilke virkemidler som skal brukes for å nå målene.» <https://dfo.no/fagomrader/okonomiregelverket/ord-og-begreper/glossary/m/mal-og-resultatstyring/> accessed 31 January 2017.

BOX 3: BASIC MANAGEMENT PRINCIPLES (FROM THE PFM REGULATIONS)

All government agencies shall:

- Adopt objectives and performance requirements within the framework of the available resources and the defined expectations of the responsible authority;
- Ensure that adopted objectives and performance requirements are achieved, that resources are used efficiently and that agency activities comply with applicable laws and regulations, including requirements as to good administrative practice, impartiality and ethical conduct;
- Provide adequate management information and an appropriate basis for decisions.
- Ministries shall also adopt overall objectives and governance indicators for subordinate agencies. Management, monitoring, control and administration shall reflect the distinctive characteristics, risk profile and significance of each agency.



2.4. Background to the Marine Litter and Tax for Development Portfolios

2.4.1. PROGRAMME TO COMBAT MARINE LITTER AND MICROPLASTICS

Marine Litter is a recent initiative in Norwegian development assistance. It was established in 2018, by MFA and Norad, in response to the increasing body of evidence on the effects of marine plastic pollution on marine ecosystems and biodiversity, and the Norwegian government's commitment to achieving Sustainable Development Goal (SDG) 14. The original commitment was 100 million NOK. During its design, the government increased the total annual commitment to 280 million NOK. In 2019, this commitment was increased to a total of 1.6 billion NOK (approx. 400 million NOK annually) over a four-year period (2019–22). The Marine Litter portfolio aims to contribute to preventing and reducing marine plastic pollution by 2025, supporting the UN vision of eliminating discharges of litter and microplastics to the ocean (adopted at UNEA-3 in 2017), and positions Norway to take a leading role in international efforts to combat marine litter. The UN Environment Assembly (UNEA) adopted four resolutions²⁰ on marine litter and microplastics in

2014, 2016, 2017 and 2019 respectively, and these form the basis of the programme. While the programme focusses specifically on combatting marine plastic litter, it takes a holistic approach to the pollution cycle and seeks to strengthen the infrastructure and systems for the management of plastic waste, which will help to reduce marine plastic pollution in developing countries that contribute most to littering, where there is evidence that littering and pollution is increasing, or assisting states that are particularly vulnerable.

The programme is continuously expanding and evolving, however, at the time of the evaluation it comprised 23 approved projects. Partners are funded at the embassy level, through multilateral organisations, non-governmental organisations (NGOs) and the private sector. The programme is overseen by the MFA, Norad and the Ministry for Climate and Environment (MCE) and the majority of projects are managed by Norad. An inter-ministerial group developed the concept, ensuring the principles of the portfolio are aligned with international normative work on marine litter and the environment, and in accordance with foreign and development policy objectives. A Programme Group consisting of representatives from MFA, Norad, the MCE, the Norwegian Environment Agency (NEA) and the Ministry of Trade, Industry and Fisheries (MTIF)

now oversees the portfolio. The mandate for the Group is still under development but, in theory, MFA leads, as the primary budget holder and the actor that seeks ministerial sign-off authority. The Group assesses and selects potential partners, and manages results reporting and the communication protocols.

What follows gives a narrative description and a visual representation (Figure 2) of the Marine Litter Portfolio's theory of change.

²⁰ UNEP/EA/Res.7 (January 2018): available here



The Marine Litter Portfolio's Theory of Change – Description and Visualization (Figure 2)

Bulding the Field and Evidence Base on the Sources and Consequences of Marine Litter

If we invest in the generation of evidence, data and research on the sources and consequences of marine litter and build a strong coalition of support at the local, regional and global levels...

...We will develop an understanding of the extent and prevalence of the issue, and help improve awareness and an understanding among partners, decision makers, private sector and the public...

...Assuming this evidence/data/research is of high quality, relevant and timely to policy processes at global, national, local levels, and the advocates of the evidence have good networks with the intended users...

...This will inform evidence-based policy making (and private sector) to invest in efficient waste management systems, and **influence** the behaviour of the public (ex. encouraging clean-up campaigns) ...

...which will also contribute to evidence-based (and therefore higher quality) international frameworks and agreements, national/local policies, regulations and action plans, and local level clean-up campaigns.

Developing International Frameworks and Agreements on Marine Litter

If we effectively use our policy/political influence in international fora to advocate for an international framework on marine litter...

...Drawing on the best available evidence on the causes and consequences...

...With a strong network of support engaging in the same fora, advocating for the same approach to addressing marine litter...

...Then other governments will be encouraged to build a coalition and make commitments to prevent marine litter. **This will** in turn translate into a permanent framework to address marine litter through an integrated approach...

...Assuming 'buy-in' is achieved with governments (globally) and in our priority countries **and assuming** they have the political will, capacity and resources to implement them...

...The international framework will be enforced nationally.

Strengthening Waste Management Systems in Priority Countries to Reduce Marine Litter

"If we support high quality tailored capacity development of local and national authorities on the importance of tackling waste management and marine litter, raise awareness of the need to act and provide TA to support necessary changes in policy and regulation and the development of action plans...".

...And we also support NGOs to engage with local and national authorities to advocate for the need for improvements in the waste management system...

...And we support high-quality, well-coordinated clean-up campaigns that engage the public, this will result in

the generation of data and a greater awareness of the issue of marine litter *which* will lead to more pressure being applied to local and national authorities to act (as well as the direct reduction of litter in the areas targeted by the clean-up campaign) ...

...This will lead to changes in policy and regulations in priority countries and the development of high-quality action plans, *which assuming* there are enough resources available, will be implemented, *and lead* to greater investment into waste management systems and their improvement.

If we also support partners to work directly with government to develop the necessary waste management infrastructure, and *assuming* this is high

quality and the awareness and capacity is built to use/operate the infrastructure, *this will* further support the strengthening of the overall waste management system...

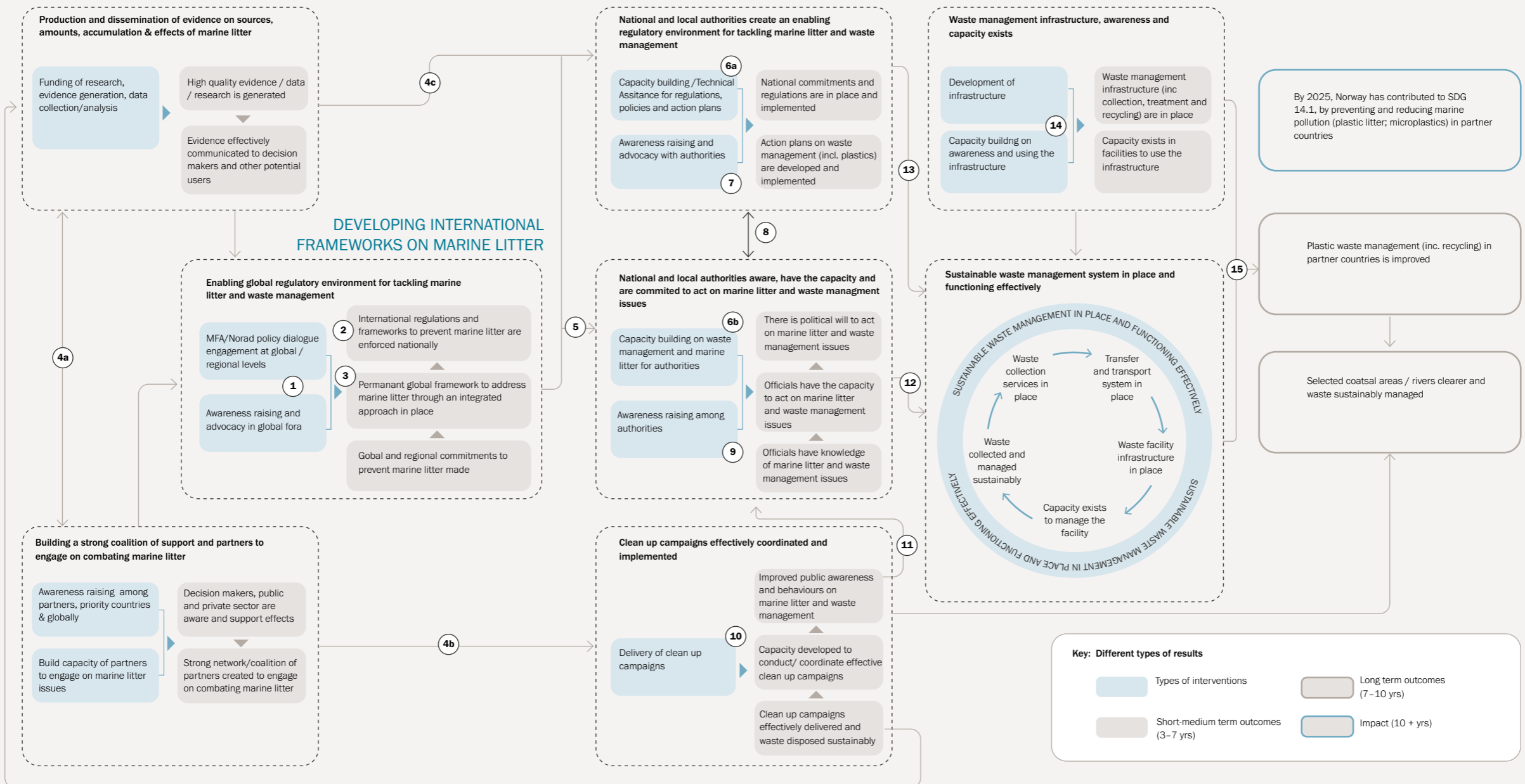
...which will ultimately lead to improving plastic waste management systems *and* waste being more sustainably managed along selected rivers and coastal areas.



Figure 2 Visual Representation of the Marine Litter Theory of Change

BUILDING THE FIELD AND EVIDENCE BASE ON THE SOURCE AND EFFECTS OF MARINE LITTER

STRENGTHENING WASTE MANAGEMENT SYSTEMS IN PRIORITY COUNTRIES TO REDUCE MARINE LITTER



The assumptions (number 1-15 in the figure) are described next page →

Assumptions

- 1.** Norwegian policy dialogue at global and regional levels, coupled with advocacy from NGOs will catalyse other governments and relevant stakeholders to commit to addressing marine litter holistically and lead to a new global agreement.
- 2.** National governments have the will, capacity and resources to enforce international agreements/framework.
- 3.** Developing country governments will have been involved in the development of the international agreements/frameworks and therefore have ownership of them, which will increase the likelihood of their implementation nationally.
- 4a.** Evidence/data is relevant to global policy discussions, is packaged in the right way and communicated at the right time, the policy makers are receptive to using evidence and those advocating for the evidence have good networks with the policy makers and will influence decision makers' willingness to commit, take action and facilitate innovation.
- 4b.** Evidence/data on marine litter is communicated to relevant actors in a clear and timely way to inform the planning of the clean-up campaigns.
- 4c.** Evidence/data is relevant to national and local policy discussions, is packaged in the right way and communicated at the right time, the policy makers are receptive to using evidence and those advocating for the evidence have good networks with the policy makers and will influence decision makers' willingness to commit, take action and facilitate innovation.
- 5.** International frameworks and commitments to prevent marine litter are integrated into national policy, regulations and action plans.
- 6a.** Capacity support/Technical Assistance to local and national authorities to support the development of regulations, policies and action plans is high quality, responsive to needs, and tailored to the context.
- 6b.** Capacity support to local and national authorities on marine litter and waste management is high quality, responsive to needs, and tailored to the context.
- 7.** NGOs/CSOs have the capacity to engage on issues of marine litter / waste management, and have a platform to engage with the government on these issues.
- 8.** There is adequate capacity among national and local authorities to implement regulations policies and action plans.
- 9.** Advocacy efforts raise awareness of authorities creates willingness and commitment to take action against marine litter.
- 10.** Clean up campaigns are organised regularly and effectively, and engage the general public.
- 11.** Clean up campaigns will lead to greater public awareness and action of marine litter and waste management issues, which will lead to greater pressure on local and national authorities to act .
- 12.** With new knowledge and capacity, local and national authorities will mobilise resources and policy to invest in the waste management systems based on where there is the most pressing need, this will in turn, over time, lead to a strengthened waste management system.
- 13.** Changes in policy and regulations in priority countries and development of high-quality action plans, with resources to implement will lead to greater investment in waste management systems and their improvement.
- 14.** Partners work directly with government to develop high quality waste management infrastructure and capacity is built to operate, this will further support the strengthening of the overall waste management system.
- 15.** Improved land-based plastic waste management will contribute to reducing marine litter.



2.4.2. TAX FOR DEVELOPMENT

TFD is in its second phase of development. Phase II (2019–2023) builds on the achievement and experience of Phase I (2011–2015). The period between Phase I and II witnessed the launch of the UN SDGs and the Norwegian government's commitment to double tax-related aid by 2020. Phase II was launched in 2019 with an overall commitment of 1.6 billion NOK over five years. It will contribute to achieving the government's commitment to double tax-related aid by 2020 and of the SDGs, by promoting viable institutions and policies that support access to quality services and infrastructure investments to enable job creation and private sector opportunities. The purpose of the programme is to strengthen state–citizen accountability and increase financing for the SDGs by ensuring tax systems contribute positively to stabilisation and state-building in priority countries. A fundamental part of the portfolio is the agreement with the Norwegian Tax Authority (NTA), which formed the basis for the portfolio. It is also designed to help Norway achieve the commitments of the Addis Tax Initiative (ATI) – the first relating to doubling the level

of tax-related aid; the second about harmonising/improving national policies and practices in donor countries to enable effective domestic resource mobilisation in developing countries; and the third about harmonising/improving national policies and practices in the developing world itself to enhance domestic resource mobilisation. The portfolio is not limited to work contributing to ATI, and also seeks to strengthen and improve global and regional institutional collaboration while also contributing to the research and evidence base on taxation in development. It will be geographically focussed on Norway's priority developing countries.

The programme is currently comprised of 20 approved projects. Partners are mainly funded through civil society or multilateral institutions. The majority of projects are managed by either the TFD Secretariat or the Civil Society Department. The programme sits within Norad's Knowledge Bank, a platform created to bring together in one place all programmes that export Norwegian technical knowledge. Within the Knowledge Bank the TFD programme is under the section that

also includes the Statistics for Development and Fish for Development programmes. The Knowledge Bank has a process by which it establishes common principles or procedures for governance. A Secretariat, comprising advisors from Norad, provides oversight and management. The Secretariat administers most of the funding, agreements and partnerships directly, but also collaborates closely with the Norad Civil Society Section (SIVSA) and the Norad research department that both manage funds that contribute to the portfolio.

What follows gives a narrative description and a visual representation (Figure 3) of the Tax for Development portfolio's theory of change.



The Tax for Development Portfolio's Theory of Change – Description and Visualization (Figure 3)

Increased Public Revenue in Priority Countries

If our partners develop effective relationships and long-term partnerships with ministries of finance and the tax administrations in priority countries...

...Assuming partners have i) the necessary skills to deliver tax capacity support in a developing country context, ii) a robust understanding of the political economy and can navigate this, iii) developed relationships characterized by trust and openness, and iv) the capacity/advisory support, and technical assistance is high quality, demand driven...

...Then ministries of finance and revenue authorities will improve their capacity to develop and implement an effective, equitable and transparent tax system (policy and administration) ...

...Assuming there is enough political support and commitment and resources to take forward the necessary tax reforms...

...Then the strengthened capacity and advisory support provided by our partners will contribute to ministries of

finance revising tax policy and legal frameworks in line with international standards, *and* the tax administration effectively implementing the policies.

In parallel, if we support partners to develop the capacity of civil society and private sector to conduct research on, engage with, advocate on, and/or support local and national government on issues of tax and resource mobilisation in priority countries...

...Assuming governments are i) open to civil society and private sector engagement on tax reform issues, ii) willing to take their views into account and value their insights, and in the case of the private sector, companies see the value of engaging with government on tax issues...

...Together, our support to partners working with key actors in the tax system, and civil society/private sector, will contribute to a more equitable, effective, efficient, predictable, transparent, and overall legitimate tax system in priority countries *and* an increase in the level of public revenue generated through taxes...

...Assuming government is responsive to citizens' and the private sector's interests, the tax reforms are broadly accepted by different groups within society, and a more equitable, effective, efficient and transparent tax systems improved the level of trust between citizens/state...

The ultimate effect of our efforts in priority countries will be to contribute to increased financing for the SDGs and the strengthening of the social contract between citizens and state.

Global Governance and Tax Cooperation

If we use our political influence and financial resources to support the UN Tax Committee and the Organisation for Economic Co-operation and Development (OECD), as the primary platforms for global cooperation on tax issues...

...This will contribute to strengthening the international architecture on tax issues and creating platforms for global tax dialogue and cooperation...

This narrative is visually represented in figure 3 (page 29) →

...If our partners then provide technical assistance/ capacity development to representatives of developing country governments to strengthen their awareness and capacity to engage with these institutions and platforms...

...Assuming this support is high quality, developing country governments will effectively participate in global tax cooperation mechanisms ...and **assuming** their views are taken into account in the international tax architecture...

...This will enhance developing countries perspectives in global discussions and negotiations and improve the benefits international standards have for developing countries tax systems, strengthen their buy-in and ownership of the standards, and improve their adoption at national level. It will also strengthen the legitimacy of the international tax architecture...

...Assuming there is enough political support and commitment, resources and capacity to take forward the necessary tax reforms,

...Then ministries of finance will revise tax policy and legal frameworks in line with international standards, and the tax administration will effectively implement the policies.

...This will result in tax systems being more equitable, effective, efficient, predictable and transparent in target countries and public revenue increasing...

...If we also support global civil society and the private sector to engage in platforms for global tax dialogue and cooperation, both through our funding and leveraging our political influence...

...Assuming governments view them as credible, and their views are taken into account, then this will further improve the benefits of the international standards to developing countries, and in turn also strengthen the overall legitimacy and transparency of the international tax architecture.

Knowledge Production on Tax and Development

If we support partners (ex. Norwegian researchers, civil society organisations (CSOs), multilateral partners) to generate new research and/or practical tools related to tax and resource mobilisation and facilitate their dissemination at the national and international levels...

...Assuming the research/tools are high quality, align with policy needs, and are well communicated; the partners conducting the research have good networks with policy makers; and governments are receptive to

using evidence, they **will inform** dialogue and decision making around tax at the national and international levels...

...This will help improve understanding among policy makers and tax officials at the national and international levels on issues of tax and development, and specifically what type of tax system most effectively promotes increased national resource mobilisation in different country contexts...

...As a result of evidence informing dialogue and decision making, the quality of tax policy, standards and administration will improve and contribute to more equitable, effective, efficient, predictable, transparent, tax systems...

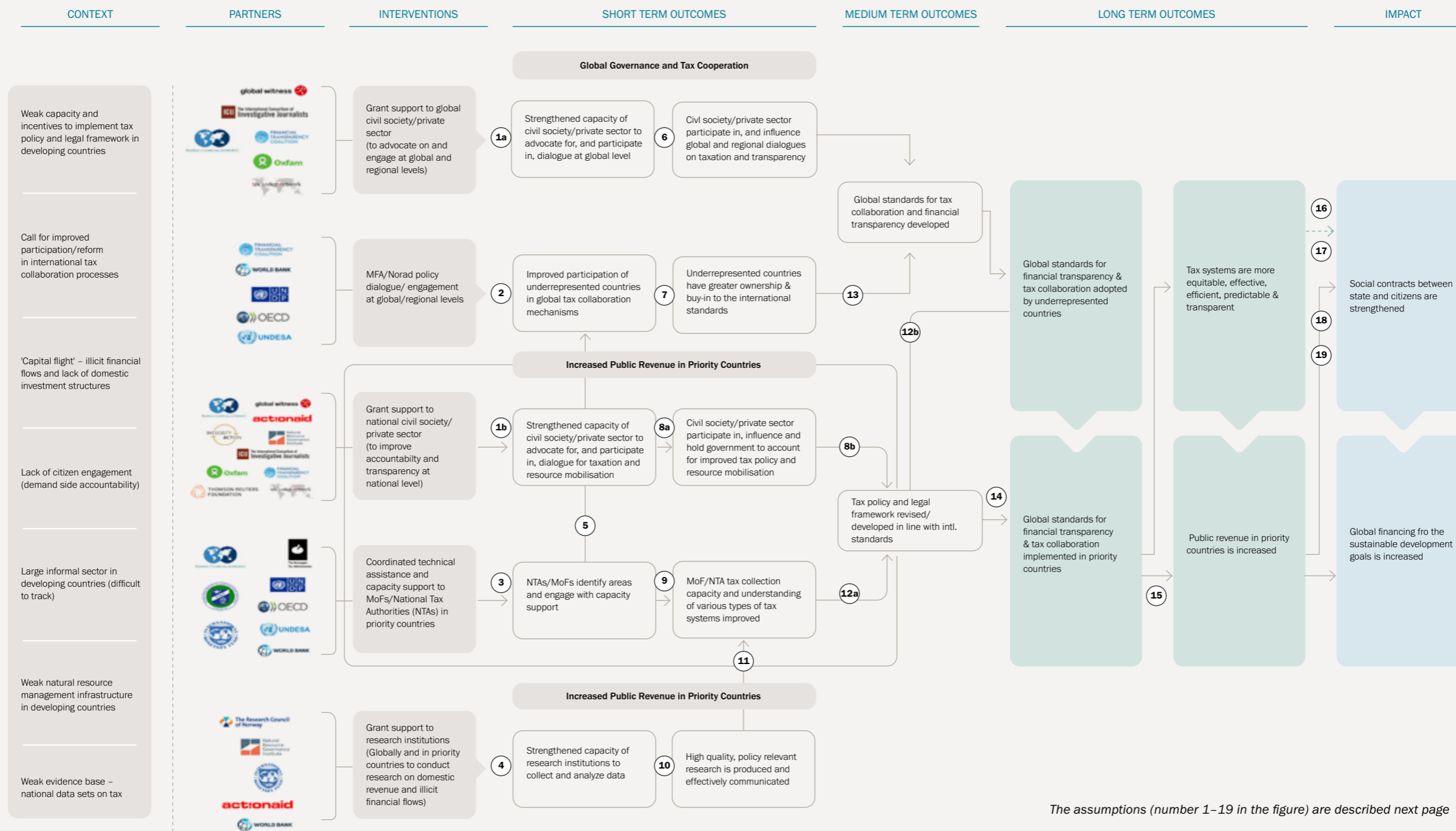
...If this research is conducted in partnership with developing country researchers, and through this, effective capacity support is provided,

...This will also create sustainable capacity at the national level to conduct country-focused, policy-relevant tax-related research in the future.

This narrative is visually represented in figure 3 (next page) →



Figure 3. Visual Representation of the Tax for Development Portfolio's Theory of Change



The assumptions (number 1-19 in the figure) are described next page →

Assumptions

- | | | |
|---|--|---|
| <p>1.a.b. Capacity support is high quality, responsive and tailored to the needs of the CSOs and private sector</p> | <p>7. Capacity support is high quality, governments participate and the views of developing countries are reflected in international tax rules / standards</p> | <p>14. Supporting national authorities and civil society/private sector (domestically and in global fora) increase their willingness to implement reforms</p> |
| <p>2. MFA political influence opens the space for developing countries meaningful engagement in global tax collaboration mechanisms</p> | <p>8. There is a conducive environment and spaces for civil society/private sector to engage with government on tax, resource mobilisation and illicit financial flows. Private sector see value in engaging with government on tax issues.</p> | <p>15. Implemented reforms increase general taxation levels, and do not limit other sources of public revenue 16. A more equitable, effective, efficient and transparent tax system improves the level of trust between citizens/state</p> |
| <p>3. Partners have i) the necessary skills to deliver tax capacity support in a developing country context, ii) a robust understanding of the political economy and can navigate this, iii) the relationships they develop are characterized by trust and openness, and iv) the capacity / advisory support and technical assistance is high quality, demand driven</p> | <p>9. There is sufficient commitment and resources to address capacity gaps, staff turnover is managed</p> | <p>17. The reforms are legitimate and broadly accepted by the general public</p> |
| <p>4. Capacity support provided by Norwegian research organisation is sufficiently high quality, responsive and tailored to the needs of developing country partners</p> | <p>10. There is engagement between researchers and policy makers to ensure research aligns with policy needs and is well communicated</p> | <p>18. Authorities are attentive and responsive to citizens' needs</p> |
| <p>5. Through TA, governments have improved awareness of internal standards, which leads to engagement in global tax collaboration mechanisms</p> | <p>11. Governments are receptive to using evidence, new data and research informs policy dialogue and increases interest in tax and illicit financial flow policy</p> | <p>19. The relationship between authorities and citizens is reinforced as all buy in to the reformed system</p> |
| <p>6. Institutionalised spaces exist for civil society/private sector to engage with global / regional bodies on taxation</p> | <p>12a.b. There is sufficient political will, commitment and resources to revise tax policy and legal frameworks</p> | |
| | <p>13. Global standards should benefit from (improved legitimacy of the international tax architecture) and be implementable by developing countries</p> | |



Methodology

This section describes the evaluation methodology. Sections 3.1–3.4 explain our approach. They outline the different frameworks we used to answer the evaluation questions, our use of validation workshops, our synthesis approach, and ethical considerations. Section 3.5 details the limitations of the evaluation. The interview guides can be found in Annex 6.

3.1 Approach

Grounded in a utility focus, the evaluation applied a formative approach placing emphasis on improving performance and facilitating learning rather than making judgements on whether an intervention has worked or not. This approach was appropriate given the evaluation's purpose and the evolving nature of the two portfolios. The portfolios identified by MFA and Norad are at an early stage of development, and as such a key role of the evaluation is to strengthen them while also identifying opportunities for learning for the wider aid administration.

EVALUATION QUESTION 1: TO WHAT EXTENT IS THE DESIGN OF THE PORTFOLIO (E.G. PROGRAMME LOGIC, GOAL HIERARCHY, THEORY OF CHANGE) EVIDENCE BASED?

To answer EQ1, we worked with both portfolio teams to surface their understanding of how they think change will happen (and why). Over a two-stage process we co-created portfolio theories of change that can now form the basis for learning and adaptation at the portfolio level. A ToC expert review with subject matter experts helped to identify gaps and further areas for improvement. The quality checklist in Box 4 helped to guide the development of the portfolios' theories of change, ensuring that the key dimensions of what makes a good ToC are covered.

BOX 4: QUALITY CHECKLIST PORTFOLIO ToCs²¹

- Verifiable** – steps are described in a way that can be verified.
- Testable** – the causal links/pathway between the stated events are clear.
- Complete** – the chain of events connecting the intervention to the ultimate impact.
- Explained** – assumptions are explicit in the theory.
- Justifiable** – there is evidence to support the sequence of events.
- Plausible** – if there is no evidence, the sequence of events is plausible.
- Owned** – those that are implementing the theory have been involved in its development.
- Embedded** – the theory has been operationalised through implantation.

²¹ This checklist is based on the one developed by Rick Davies:
https://www.mande.co.uk/wp-content/uploads/2012/Evaluability_of_TOC_criteria.pdf

EVALUATION QUESTION 2: TO WHAT EXTENT IS THERE STRATEGIC ALIGNMENT BETWEEN THE PARTNERS FUNDED THROUGH THE PORTFOLIO AND THE ToC?

Using the newly designed ToC as a basis, we answered EQ2 by assessing the degree of strategic alignment for all approved partners against the outcomes for each portfolio. The assessment was informed by the initial mapping conducted during inception and the work portfolio teams had already done by mapping the grantees to the original outcome areas. The mapping involved a review of each partners grant documents (proposal, results framework, ToC and decision document), where available. Gaining a deeper understanding of the partners interventions enabled us to determine the extent to which they are aligned to the specific outcomes/objectives in the portfolio ToC. We used the ratings detailed in Box 5, to define the extent of alignment of each partner. Each assessment was then synthesised to produce a portfolio-level visual, illustrating the concentration of partners working on specific outcomes (Annexes 3 and 4).

BOX 5: ALIGNMENT RATINGS

Clearly aligned



Evidence suggests that the partners' activities will directly contribute towards the achievement of the outcome statement.

Partly aligned



Evidence suggests that the partners' activities may (in some way) contribute towards the achievement of the outcome statement.

Not aligned



Evidence fails to provide any basis to determine if the partners' activities will contribute towards the achievement of the outcome statement.

EVALUATION QUESTION 3: TO WHAT EXTENT IS THE APPROACH TO PORTFOLIO MANAGEMENT/ GOVERNANCE OF THE PORTFOLIO LIKELY TO CONTRIBUTE TO THE ACHIEVEMENT OF PORTFOLIO OBJECTIVES? AND, EVALUATION QUESTION 4: TO WHAT EXTENT IS EFFICIENCY CONSIDERED IN THE SELECTION OF PARTNERS AND PROJECTS?

In order to assess and understand current portfolio governance and management practices, and answer EQ3 and EQ4, we structured our data collection and analysis around the five steps of portfolio management that are detailed in [Figure 1](#).²² We also looked at several interconnected capacity domains that support

the effective application of the steps: leadership, capabilities, time and resources.

Assessing Portfolio-level Management

For each portfolio, we tested each step with key questions exploring current practice, and a series of cross-cutting questions relating to the four capacities which allowed us to understand why certain steps in the management wheel are/are not happening and the factors underlying this (see Annex 6). Additionally, we conducted a review of secondary data including internal portfolio documents such as team agendas and minutes, portfolio strategies and plans, relevant grant schemes and portfolio reporting which informed the development of our data collection tools. Primary data collection included key informant interviews (KIIs) with both port-

²² These steps align closely with the four steps of the management wheel that was detailed in the original ToR (Annex 1).



folio teams, and a sample of portfolio partners. In total we interviewed six members of the TFD portfolio team and two partners, and seven members from the Marine Litter team and two partners.²³ We also reviewed existing portfolio-level results frameworks, data collection plans and reports, partners' monitoring and evaluation plans and reporting to understand what data they are collecting and how credible this is. Data gathered was then assessed against each of the dimensions outlined in the framework which enabled the triangulation of evidence within portfolios.

Wider Portfolio Management Practices

To strengthen our ability to generate generalisable findings, we conducted KILs with several other portfolios (within the aid administration). Using two guiding criteria, 1. Experience with portfolio management and 2. Level of complexity, we selected a list of portfolios.²⁴ For each, we conducted KILs with the designated portfolio

²³ We also attended a partner workshop for all ML portfolio partners, in Oslo in on 25/10/2019.

²⁴ The education portfolio, health portfolio, Norwegian Programme for Capacity Development in Higher Education and Research for Development (NORHED), the climate and forestry initiative (NICFI) – specifically the SIVSA managed component-, humanitarian portfolio; human rights and gender equality. We also contacted the oil for development and the sustainable foods systems portfolios but were unable to arrange interviews.

'owner'. These interviews explored if the findings from our evaluation of the tax and marine plastics portfolios resonated across the administration and the MFA, and explored their own experiences with portfolio management as well as their view on the enablers and barriers. In total we conduct 11 interviews with wider stakeholders.

EVALUATION QUESTION 5: WHAT ARE THE MAIN LESSONS LEARNT AND WHAT ARE THE RECOMMENDATIONS, BOTH ON PORTFOLIO MANAGEMENT AND AT SECTOR LEVEL FOR EACH PORTFOLIO?

To answer EQ5, we collated data from the portfolio level and wider stakeholder KILs pertaining to lessons learned. Additionally, we identified several comparator agencies to review other donors' portfolio management practices, exploring how they have addressed the challenges of portfolio management, provide lessons on best practice and to inform suggestions for improvement. Comparator agencies were identified against five key criteria²⁵, and KILs structured around a simplified version of the assessment framework (Figure 1) were

²⁵ 1. Available resources; 2. Experience implementing RBM; 3. Published evidence; 4. Experience managing portfolios in tax for development/marine litter; 5. Existing contacts with agency.

carried out. We conducted interviews with four comparative agencies: DFID; the Ministry of Foreign Affairs, Finland; BMGF; the Ministry of foreign Affairs, Netherlands.²⁶ We supplemented this with a review of a wider set of donors' experiences of portfolio management – where it existed.

3.2 Validation Workshops

Once initial ToC drafts were produced and findings from the KILs at the portfolio level emerged, we facilitated a second set of workshops with the portfolio teams to test and validate emerging themes. These workshops applied a force field analysis methodology to explore emerging findings, discuss the barriers and enablers; and opportunities for changes in practice. The workshops helped the evaluation team to establish the extent to which the findings were representative and which aspects required further exploration.

²⁶ We also contacted Swedish SIDA, but they declined to be interviewed.



3.3. Synthesis

Overall, the evaluation team facilitated four workshops, co-created two portfolios' theories of change, mapped 43 portfolio partners and conducted 29 KIs across a range of stakeholders (see Annex 2). These primary data sources were complemented by a review of secondary data sources which provided the evidence required to answer the EQs. Using the evaluation framework, data was coded, analysed and synthesised to produce high-quality, evidence-based findings and conclusions.

3.4. Ethical Considerations

As part of designing and conducting any evaluation, it is important to ensure that appropriate ethical safeguards are addressed. These safeguards relate to matters such as individual confidentiality, respondents' rights to privacy and respect, and consultation and feedback during the process. We put in place protocols to safeguard data submitted to the team, KIs conducted and internal reports shared. The main guiding principle throughout the evaluation was that all data remains confidential unless explicitly authorised for sharing by Norad. In all the KIs, respondents were advised that their views would not be attributed directly to them.

We therefore numbered all interviews rather than named individuals. We maintained independence and minimised conflict of interest by soliciting views of a wider range of stakeholders (beyond the direct portfolio teams) and regularly assessed team members' potential conflicts. The purpose of the evaluation required the team to manage tensions between providing evaluative judgement and supporting improvement – i.e. the learning focus. We managed this by being explicit with stakeholders around these two roles and by being transparent and evidence based with evaluative judgements. As the evaluation was formative, it was a highly consultative process on the design and process which resulted in jointly formed judgements about what is working well, and what needs improvement.

3.5. Limitations

There are two main limitations in the approach we took:

Lessons for the wider aid administration on portfolio management. The ToR stated that the evaluation should inform learning on portfolio management across the aid administration; however, it is based primarily on the experiences of two portfolios, which are nascent. While KIs with several other portfolios (within

Norad and MFA) have helped strength our findings and allowed us to draw wider, more generalisable conclusions around practices of portfolio management in the aid administration, these represent a relatively limited sample of the overall number of portfolios that exist.

Confirmation and selection bias. There is a risk of confirmation bias as our primary data sources are the portfolio leads and team members. While we attempted to mitigate this bias by seeking views outside the portfolio teams and at MFA, and being transparent about our selection criteria, there is always a risk of selection bias in purposive sampling approaches.



Findings

This section presents the evaluation findings. It is structured in three main sections. Section 4.1 describes the different understandings of ‘portfolio’ and ‘portfolio management’ that exist across the aid administration. Section 4.2 explores the issue of portfolio governance and the enablers and barriers to this. Section 4.3 presents our findings related to portfolio management and how it is being practiced, both within TFD and Marine Litter, and where we can say, across the aid administration more widely.

4.1. Definitions and Understandings of ‘Portfolio’ and ‘Portfolio Management’ within the Aid Administration

At present, there is no common understanding of what a portfolio is in the aid administration. Through our work with the TFD and Marine Litter portfolios, and interviews with a wider range of stakeholders across the administration, it is clear that the term ‘portfolio’ is new to many people and there are a

range of different interpretations of what it means.²⁷ This has been identified in previous evaluations and research.²⁸ As mentioned in Section 1, the definition of portfolio we have used for this evaluation is: a collection of interventions, grants and initiatives that contribute to a common set of objectives and have a common underlying logic. It is a management unit.

²⁷ Within TFD and Marine Litter, many stakeholders shared this understanding. They emphasised the importance of “common goals that everyone is working towards” (KII5,6,7) and the need for “interactions” (KII10, 12) and “complementarities” (KII2, 4) between grants. To some extent their engagement with the evaluation may have shaped their views on what a portfolio is, but the design of the portfolios – TFD in particular – suggest a portfolio way of thinking existed before our engagement started. Stakeholders in both portfolios emphasised the importance of viewing portfolios as bringing together grants and the aid administration’s normative and influencing work. (KII2,3) Views from across the aid administration were more varied. One view was that a portfolio was a collection of grants where there was clear alignment between the partners, Norway funds and specific goals. (KII20,31,32) Another, particularly in the MFA, was that portfolios are linked to the budget – Prop 1 and the new themes/sectors that provide the structure for this.

²⁸ Evaluation of Norwegian Aid Administration’s Practice of Results-Based Management (Report 4/2018) and Norad (2019) Portfolio Management Note and Appendices: AMOR.

Some of the confusion around what a portfolio is comes from portfolios existing at different levels within the aid administration. There are country portfolios (e.g. Malawi), high level thematic portfolios related to Prop. 1 (the budget proposal) and the sectors for Norwegian development assistance (e.g. climate, environment and the sea), portfolios that align with administrative units (e.g. health is also a section in Norad), and portfolios around specific issues or problems (e.g. tax and marine litter). It is our view that based on our definition, these can all be considered portfolios. Providing there are common objectives, a logic to why grant and normative work is grouped together, and there are decisions that can be made around the strategic direction and budget associated with the unit, then the five steps in portfolio management can be operationalised. For example, a country portfolio needs to set clear objectives, select relevant partners, and use results evidence to manage the portfolio in the same way an issue specific portfolio such as tax for development or marine litter does. The level of aggregation may be different, but the management steps are largely the same.



The challenge we see is in managing the relationship between portfolios at different levels of aggregation in the aid administration. For example, the UK DFID and the Bill and Melinda Gates Foundation (BMGF) distinguish between overall thematic/sector portfolios that set high-level objectives, and sub-portfolios that are focused on achieving lower level objectives that contribute to the higher-level ones.²⁹ This seems to be the direction the aid administration is moving in with the restructuring of Prop. 1. Under this arrangement, Chapters are the overall portfolios and articulate the high-level objectives and direction for Norway's development assistance within a sector or theme, while the budget lines under each Chapter (Posts) operationalise these and provide the basis for sub-portfolios. While progress against the overall portfolio objectives (Chapters) will be reviewed annually as part of the annual budget, we would expect a more detailed stock take on a slightly longer timeframe, perhaps every three years.³⁰ At the sub-portfolio level (Post), there would be more active management and coordination of grants towards objectives, and as such the collection and use of evidence would be more frequent.

29 KII29; OECD (2017) Results in development cooperation – Provider case study: Sweden, OECD, Paris.

30 This might be through for example, a strategy evaluation.

There are also different perspectives on what it means to manage a portfolio. This was even more pronounced than for understanding of the term 'portfolio.' The definition of portfolio management we used in the evaluation was: **“the management practices and procedures used to design, plan, organise and coordinate a collection of interventions, grants and initiatives towards the effective and efficient delivery of specific development assistance objectives. It involves setting overall objectives and strategy, aligning resources towards these, and then using evidence to oversee and coordinate partners and activities, monitor progress, learn, adapt, and report.”** Across the stakeholders we interviewed both in the two portfolio and more widely, the most common understanding of portfolio management related to aligning grants to goals and then managing the grants towards the achievement of these goals.³¹ This is an important component of portfolio management, but it is not sufficient. Likewise, some conflated portfolio management with having a portfolio results framework and reporting against it.³² Again, while this is certainly a tool that can be used to support portfolio

31 KII4; KII1; KII5; KII12; KII3: KII31; KII20; KII32; KII31.

32 KII7; KII2.

management (see section 4.5 for a discussion on this) it is not, in and of itself, portfolio management. Portfolio management involves strategic alignment, managing grants effectively, and having a view of overall performance, but it also requires “spotting overlaps and managing synergies between partners,”³³ “stepping back from projects and looking at the whole,”³⁴ being able to “spot common challenges partners may be facing and sharing these”³⁵, and spotting gaps that need plugging in specific contexts, and funding new partners.³⁶

The aid administration has recognised the lack of a systematic approach to portfolio management and has started to institute new practices which will go some way to creating greater consistency. While there is established training, approaches and tools on grant management, there is currently nothing on portfolio management. This is an obvious gap, given the prominence of portfolios across the aid administration. For example, both the TFD and Marine Litter portfolio

33 KII8.

34 KII10.

35 KII18.

36 KII11.



teams indicated that the lack of internal guidance and/or processes meant they often felt like they were feeling their way in the dark with the design and set-up of their respective portfolios. These same sentiments were raised by other portfolios. As is detailed in later sections, while this doesn't mean that portfolios aren't practicing portfolio management, it does mean that there currently isn't a single approach to portfolio management across the aid administration.

However, these challenges have been recognised and changes are being made to create a more consistent approach. For example, the next version of the Grant Management Manual will include guidance on establishing and managing portfolios and associated training will be rolled out across the aid administration.³⁷ The MFA's restructuring of the annual budget was also an effort to create better portfolio alignment with thematic Chapters and Posts. Similarly, the Results Management Section in AMOR has supported a number of new portfolios in establishing approaches to measurement and reporting portfolio level results. Encouragingly, there also continues to be interest in improving portfolio management among senior leadership across the aid administration.

³⁷ KII14.

4.2. Portfolio Governance

The following section synthesises evidence on how the TFD and Marine Litter portfolios are governed, specifically the governance arrangements that have been put in place to oversee the portfolios, and the roles, responsibilities and accountabilities of different stakeholders involved in portfolio governance. The findings presented in this section provide part of our response to EQ3.³⁸ Where there is evidence from wider stakeholders, it is used to further substantiate findings and draw more widely generalisable findings.

Portfolio can sit across departments and sections within the aid administration and sometimes across government agencies. As a result, portfolio governance can be complex. The delivery of the TFD portfolio involves a range of different actors across government, including MFA (setting overall policy and managing relationships with embassies), the TFD Secretariat³⁹ (coordinating and reporting on the overall portfolio), SIVSA (managing the grants to CSOs), the Research Section

³⁸ To what extent is the approach to governance and management of the portfolio likely to contribute to the achievement of the portfolio objectives

³⁹ The extent to which the Secretariat is designing and managing the portfolio is limited as the Secretariat does not have a mandate beyond Norad and what is managed by TFD.

(managing the research grant to Norglobal II) and the Ministry of Finance (representation of Norway on tax at OECD and the IMF). TFD coordinates these relationships in a number of different ways. MFA and the TFD coordinate through weekly/monthly meetings that involve the MFA case officer for the portfolio and the TFD Secretariat. There are then biannual ministerial briefings on portfolio progress, and quarterly meetings between MFA, Norad and NTA (a core portfolio partner.) The TFD Secretariat then coordinates with SIVSA, the Research Section and the Ministry of Finance based on specific needs, for example, specific calls for proposals and/or events.

While not as complex as TFD, the Marine Litter portfolio involves a similarly wide range of actors both within the aid administration and outside. It includes: MFA (setting overall policy and managing relationship with embassies), Norad (managing a core set of grants), the MCE (representation of Norway at key international fora on Marine Litter and for normative work in relation the same; responsibility implementing environmental policies of the Norwegian government including overall responsibility for marine litter and microplastics), NEA (subject matter expertise) and MTIF (subject matter expertise). These are managed through a Programme Group as the main governance body. This meets on a monthly basis and reviews grants and oversees the portfolio.



Portfolio budgets can also sometimes be split across different departments and sections. This creates challenges for portfolio governance and management.

In both TFD and Marine Litter the portfolio budget is spread across multiple teams, meaning the decisions on grants (and the subsequent management of them) is dispersed. This is most evident in TFD where the Secretariat is responsible for managing the portfolio, but only manages certain core grants.⁴⁰ For others it only advises other departments. This complexity is exacerbated by the portfolio being underpinned by multiple grant scheme rules.

The situation is less complex for Marine Litter as most grants are managed by Norad (Department for Climate and Energy), and since 2019, all fall under the same budget post. However, a significant amount of resources is channelled through the embassies. In these cases, the Programme Group reviews and provides technical inputs on the grants, but once approved they are managed at embassy level.

The implications of portfolios sitting across multiple budget lines is that the bodies that have been assigned

⁴⁰ It is important to note that the portfolios core grant to the Norwegian Tax Authority is managed through the TFD secretariat.

responsibility to deliver a portfolio, do not actually have direct control over all the resources needed for delivery. As a result, they must rely heavily on coordination with others. This can make portfolio management challenging.

Because portfolio budgets can be split across Departments and Sections, it is often not clear who is ultimately accountable for the delivery and performance of a portfolio. The division of portfolio budgets across different units also drives complexities in accountability. Current practice within the aid administration is that the unit who owns the budget line is accountable for the results.⁴¹ For TFD it means that SIVSA is accountable for the civil society component of the portfolio, the Research Section is accountable for the research component, the TFD Secretariat is accountable for the grants it manages, and the MFA is accountable for embassy-level grants. Then in addition to this, the MFA is accountable for setting the overall policy direction of the portfolio. Given this diffuse set of accountabilities it becomes difficult to identify exactly which entity is ultimately accountable for the performance of the overall TFD portfolio. In Marine Litter, despite the Programme Group having more control over the budget there is still confusion among the team around where accountability for the overall portfolio

⁴¹ KII13.

sat. Some members of the Programme Group think accountability sits with whoever is managing the grants, some with Norad,⁴² and others with MFA as the ultimate budget holder.⁴³

Based on our evidence it is difficult to say which is most representative of portfolios across the aid administration: Marine Litter or TFD. Of the other portfolios we reviewed, some such as Education and Human Rights have the same underlying budget and accountability complexities as TFD, while others such as NORHED have delegated funding authority for all the grants and initiatives in its portfolio, are governed by one grant scheme rule, and therefore who is accountable for the performance of the portfolio is very clear. However, what does seem clear, is that in those situations where portfolios cut across units that have each been formally delegated funding authority, the aid administration needs to be clearer and more directive on where accountability for performance and learning sits. The current situation runs counter to the portfolio approach and undermines effective portfolio management.

⁴² KII1; KII2; KII5.

⁴³ KII4; KII3; KII4.



While decision making around grants is formal, the coordination that is needed to deliver the portfolio tends to be more informal. The governance of portfolios has two core functions: decision making and coordination. Across TFD, Marine Litter and the wider portfolios we reviewed, we found different degrees of formality across these two functions. Decision making, particularly around grants, was formal and followed established channels and procedures. On the other hand, coordination with other units involved in the delivery of the portfolio was both formal and informal. In Marine Litter for example, the composition of the Programme Group formally brings together all the different actors involved in the portfolio to coordinate delivery. While this group still lacks a formal mandate (see below), it meets regularly, has standing agenda items, and different team members have clear roles and responsibilities. Similarly, TFD manages its relationship with the Research Section through a formal internal allocation letter that transfers the responsibility for managing the research grant on an annual basis, the Norwegian Research Council then consulted the secretariat on annual calls for proposals. Conversely, TFD's engagement with SIVSA and the Ministry of Finance is informal, and needs

based.⁴⁴ As is the Programme Group's engagement with Embassies.⁴⁵ Evidence from the wider group of stakeholders indicates that informal coordination arrangements exist across other portfolios in the aid administration. While informality enables flexibility and responsiveness, it hinges on good relationships being maintained.⁴⁶ Given the importance of some of these relationships to the success of the portfolio, relying on informal coordination and good relationships is arguably a delivery risk. Our review of other portfolios across the aid administration suggests that the use of governance arrangements that formally bring together different departments, units and sections to support coordination across the portfolio is not commonplace.

A lack of clarity around what authority has been delegated to portfolio governance bodies, can create inefficiencies in decision making. In the case of TFD, formally, the MFA sets the policy direction, and the TFD Secretariat is responsible for developing the overall

44 For the civil society component of the portfolio, it inputs into calls for proposals run by SIVSA and then works with SIVSA in the management of the grants such that they support the TFD portfolio.

45 Embassies request the Programme Group to provide comments on marine litter related grants.

46 KII10; KII8; KII11; KII9; KII4.

portfolio design, setting and delivering the annual plans and managing several core grants. However, because of the high profile and political nature of the portfolio, there has been close involvement of MFA in the design and implementation. While there is a general view that the relationship with MFA largely functions smoothly, there is a sense that it isn't clear what decision-making authority has in fact been delegated to the TFD Secretariat. This has meant sometimes decisions that could have been made in-house in Norad have gone to MFA for decision instead. This has created inefficiencies in how decision have been taken.

Similarly, with Marine Litter, while there is general view that the Programme Group is working effectively⁴⁷, it currently has no formal mandate (a formal mandate for the Programme Group is currently awaiting approval).⁴⁸ While in reality the Group has an MFA representative, and they are able to agree decisions as part of their role on the Group, the fact that the aid administration has not provided clear delegation of authority to the main governance body for a portfolio with an annual budget of NOK 400 million is problematic. While the objectives of the

47 KII1; KII2; KII3; KII4.

48 KII3; KII4; KII6.



reform process currently underway in the aid administration is to clarify many of the challenges raised above, in the short term, because of the uncertainty it is creating, it is arguably exacerbating them.

The aid administration does not currently require there to be a systematic assessment of what management capacity a portfolio needs to operate effectively. This is not currently a mandated step in the setup of portfolios. As such, portfolio management capacities seem to vary. The TFD Secretariat, for example, has four full-time staff members dedicated to the portfolio, while Marine Litter, even though it actually has a large annual budget and is managing more partners, has a Programme Group with representatives that are not exclusively dedicated to this portfolio. This places significant strain on the Group, but also poses major risk to effective portfolio management.⁴⁹ We saw similar variation in management capacity across the other portfolios we reviewed.⁵⁰ This is in contrast to donors such as DFID, that as part of the design of a portfolio, formally review management arrangements and needs, given its size and complexity. By not doing

49 Inadequate time and capacity were raised by a number of Programme Group's members as current barriers to effective portfolio.

50 For example, NORHED has a dedicated management function with a Director, Assistant Director and full-time coordinator, while the education portfolio has only one full time person.

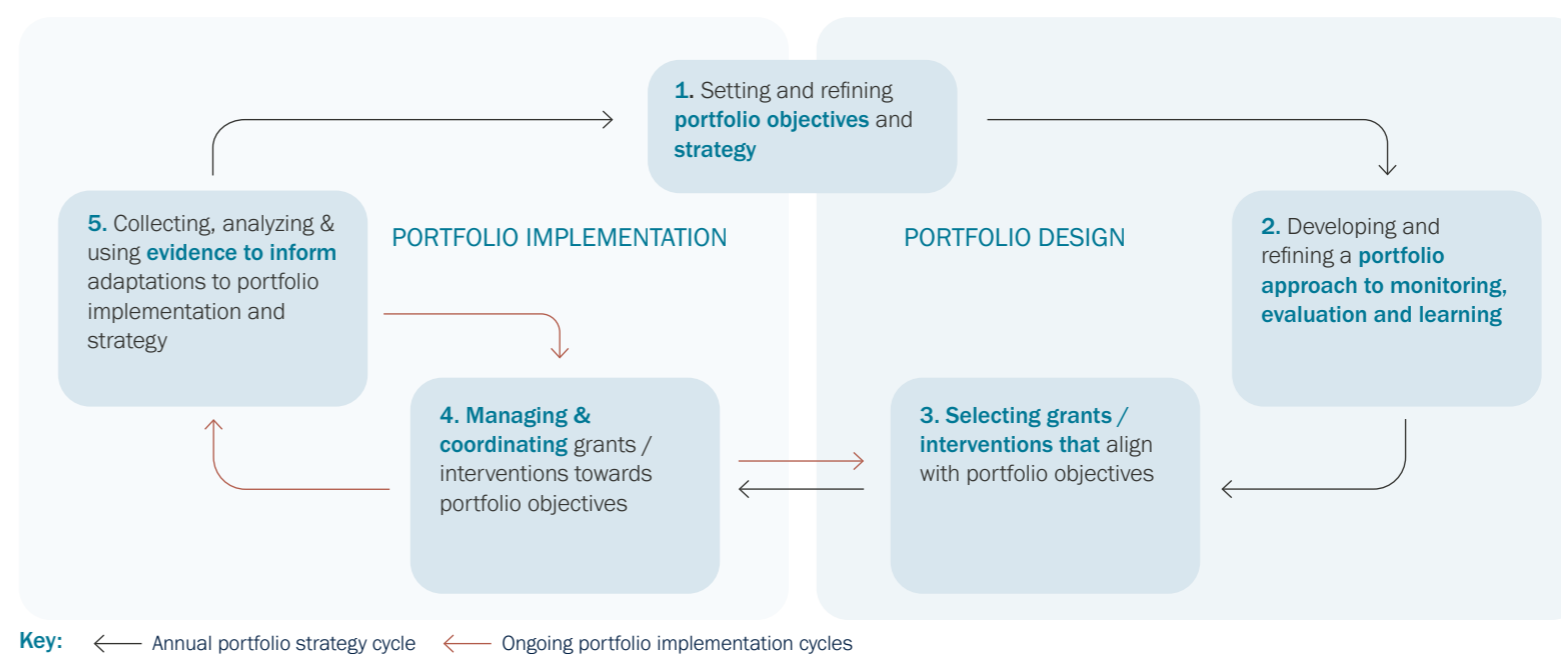
this, the aid administration is creating latent risks for the effective and successful delivery of portfolios.

4.3. Portfolio Management

The following section synthesises the evidence on how the TFD and Marine Litter portfolios are managing their portfolios. It is divided into five subsections following the five steps in portfolio management outlined in section 2.1.

Figure 4 is reproduced from section 2.1 below for ease of reference. Section 4.3.1 assesses how portfolio objectives and strategies are set. Section 4.3.2 describes how partners are selected. Section 4.3.3 reviews the approach and plans for portfolio monitoring, evaluation and learning. Section 4.3.4 and 4.3.5 cover how the portfolios manage and coordinate grants and intervention, and collect, analyse and use evidence. As both portfolios are in the early stages of implementation, practice in these two areas are more nascent. Where relevant, evidence from wider stakeholder interviews are used to further substantiate the findings and draw more widely generalisable findings.

Figure 4. The Five Steps in Portfolio Management



4.3.1. SETTING AND REFINING PORTFOLIO OBJECTIVES AND STRATEGY

Portfolio management requires setting clear objectives. This provides a clear direction for funding and activities. Alongside this should be a strategy, which details how the portfolio objectives will be achieved. This can be further strengthened by a portfolio theory of change which unpacks how change is anticipated to happen. Grounding the portfolio strategy and ToC in existing research evidence on what works can further strengthen the design. The following section looks at how well the TFD and Marine Litter portfolios have taken these steps and the factors that have impacted this. It provides the basis for our response to EQ1⁵¹.

Both TFD and Marine Litter have design documents that put forward a clear rationale, structure and strategy for their portfolios. While other portfolios we reviewed have similar documents, it is not clear if this is consistent practice across the aid administration. In the case of TFD a programme strategy⁵² sets out a clear rationale for the portfolio, explains its structure and strategy, and describes the portfolio management structures that have been established. It also includes a draft results framework. Similarly, Marine Litter has

51 To what extent is the portfolio's design (goal hierarchy, programme logic, ToC) evidence-based (i.e. based on research and evaluations)?

52 Tax for Development, 2019–2023.

a programme document⁵³ that outlines the problem the portfolio is seeking to tackle, justifies the structure of the portfolio, reviews what other donors in the field are doing, maps relevant partners for support, and describes the results framework. Similar documents exist for other portfolios we looked at,⁵⁴ however, these documents vary substantially in what they cover and their level of detail. It is unclear whether the development of portfolio strategies is a common practice across the aid administration.

Both TFD and Marine Litter have articulated intervention logics, but neither had a portfolio-level ToC, as defined in this evaluation. While each portfolio – to varying degrees – has articulated an intervention logic⁵⁵, these are high level and more communication and reporting devices than tools for actively managing the portfolio (See section 4.5 for further discussion of this). They define the overall objectives of the portfolio and associated outcomes, but they suffered from a number of common weaknesses: 1) They did not unpack how and why partners, individually and collectively, would contribute

53 Programme logic and project portfolio for the Norwegian aid programme against marine litter and micro plastics, Norad/MFA 06/11/2018 [English translation].

54 For example, the humanitarian portfolio has recently developed a strategy.

55 Marine litter has a programme logic, but not a ToC, while TFD has a goal hierarchy and a high-level ToC.

to the desired changes; 2) The assumptions that had been made about what needed to happen in the external context for the portfolio logic to hold, had not been made clear; 3) There were leaps in logic that needed further unpacking so that change pathways were clearer and progress could be monitored. These are important details to surface for effective portfolio management. Over the course of this evaluation, through an iterative process, we worked with both TFD and Marine Litter teams to surface their portfolio-level theories recognising that there are no agreed standard/criteria for developing a ToC within the aid administration.

A portfolio theory of change is an important tool for portfolio management as it helps create a common understanding of how a collection of grants and interventions fit together and provides a framework for monitoring, evaluating and learning. Multiple actors are involved in the management and delivery of a portfolio, both inside and outside the aid administration. Developing a portfolio theory of change clarifies the overall objectives, the pathways for change and the specific contributions that each partner makes to the portfolio. This ensures everyone is aligned in their purpose and helps support better coordination and collaboration. A theory of change also helps a team to unpack how and why it anticipates change will happen how. This can then be used to structure partners own programme designs and reporting. For example, some



funders such as Hewlett Foundation and DFID include portfolio theories of change as part of their calls for proposals. Partners are then required to nest their own theories of change in the portfolio theory. This helps ensure alignment between partner and portfolio monitoring. A theory of change can also help surface the areas of the portfolio design where there is more limited evidence to support the anticipated change pathways; this can aide decisions around where to focus evaluation resources. One team member captured well the value of developing portfolio-level ToC to portfolio management:

“A portfolio ToC, or something like it, is important so that everyone can look at it and agree on how to get to the goal. Without it you get lost in one specific topics or project and get lopsided and don't see what you need to balance and reach the higher goal...It is useful to be aware of the ToC when making decisions.”⁵⁶

Importantly, a portfolio ToC should not be a static document. It should be regularly reviewed and updated based

on emerging evidence and insight into how change is happening and shifts in the context. While this can happen at any point in time, given the annual cycle of partner reporting, it probably makes most sense to review it annually as part of the process of synthesising partner reporting and distilling key learning.

Both TFD and Marine Litter used evidence and research to varying degrees in the design of their portfolios. The design of the TFD portfolio included a comprehensive scoping exercise where the literature on tax and development was considered, an assessment was undertaken of the NTA experience with tax cooperation, and a review was conducted of how others have approach tax aid.⁵⁷ This shaped the composition and structure of the portfolio in a number of ways. It informed the decision to fund partners to work on both tax policy and administration at the national level.⁵⁸ It led to the decision to strengthen the capacity of

developing country governments to engage in the global governance of tax to ensure their interests are reflected in international standards.⁵⁹ It also informed which countries should be the focus of Norway's support to tax systems.

While Marine Litter didn't undertake as comprehensive and structured a review of the evidence as TFD (see below for a discussion about why), it still reviewed a research to feed into the development of its portfolio design document.⁶⁰ There is a clear link between the cited evidence and the design of the overall portfolio. Notably, the focus on plastics rather than other types of marine litter, the emphasis on land-based waste, and the need for investment in waste management systems.⁶¹ A review of available evidence also informed which countries should be the focus of Norway's support to tackling marine litter.

56 KII10

57 This was pulled together in a report by the task force established by the Director General of NTA from June 2017, a strategy for TFD phase 2 approved by the Minister of Foreign Affairs in December 2017, a plan for TFD phase 2 approved in June 2018, and a working paper 77 published at the International Centre for Tax and Development (ICTD) in June 2018.

58 This was in recognition that depending on the context, either may be the right entry point to a tax system and where the most significant problem lies. This has led to a strong focus on political economy analysis in the portfolio at country level, to understand the country-specific drivers and barriers for tax reform.

59 Similarly, the decision to work at both the national and international levels has been informed by a good emerging evidence base, such as 10 principle for international engagement in supporting developing countries in tax matters developed by the OECD task force on tax and development and the IMF/OECD/UN/EBG 206 report to G20 finance ministers on recent experiences and lessons learnt.

60 Programme logic and project portfolio for the Norwegian aid program against marine litter and micro plastics, 6/11/2018; KII4; KII3; KII15.

61 Ibid.



The degree to which evidence informed the design, and the way that it was accessed is partly a product of the portfolio design process. The design process for the two portfolios were very different. The design of the TFD portfolio took place between 2016–2018 and was led by a tax expert recruited to expand the portfolio to deliver on Norway's commitment to double tax-related assistance by 2020. As well as building on his own experience and the existing evidence, the tax expert was also able to build on over a decade's worth of work that the aid administration had working on tax issues. The Marine Litter portfolio on the other hand, was established on the request of the then Minister for International Development and had only two months to develop an initial portfolio design, with objectives and logic.⁶² This was made more challenging by the fact that this was a new area for the Norwegian aid administration. As one member of the Marine Litter team (KII1) commented:

“We didn't have enough time to develop the portfolio, as it was starting up in a new field...we didn't have an overview or sufficient insights of what works in the field.”

⁶² KII4.

Given these pressures, the team relied heavily on the technical expertise in the Programme Group⁶³, particularly from departments such as the MCE and NEA.⁶⁴ They contributed their expert technical knowledge into the portfolio design and signposted to relevant research.

Both portfolios indicated that the existing evidence base for their portfolios is nascent, so are funding new research and evidence as a core component of their portfolio strategy. While this is a positive step, both teams still need to think through how this can be used to support effective portfolio management. While both TFD and Marine Litter have made efforts to review and use evidence to inform their portfolio designs, both recognise that the evidence in both subject areas is nascent and there are significant gaps in understanding what types of interventions work, where and why.⁶⁵ Given these gaps, both portfolios

⁶³ This was also one of the drivers for expanding the membership of the Programme Group – to increase the technical expertise that were available to the portfolio.

⁶⁴ KII13, KII15.

⁶⁵ For example, TFD indicate that there is “limited knowledge of the types of tax systems that most effectively promote increased national resource mobilisation and development.” (Briefing note: half year update on tax related development policy, 4 July 2019.) Marine Litter states that there is “limited evidence on the sources, amounts, accumulation and effects of Marine Litter globally and within countries.” (Programme logic and project portfolio for the Norwegian aid programme against marine litter and micro plastics,

have included an evidence/knowledge generation component to their portfolios. Through this they will fund applied research to help improve understanding of Marine Litter and tax.⁶⁶

While this could provide a useful mechanism for supporting the use of evidence in portfolio management, at this stage, the mechanics of how this will happen are still being thought through by both teams. At present, they are viewing this component as principally supporting the generation of new knowledge to plug gaps in global understanding. Therefore, more thinking is needed around how it can be used to improve understanding of issues central to their own portfolio theories of change (See section 4.3.5 for more discussion of this).

There has been significant involvement of MFA, and sometimes ministers, in the design of both portfolios. This has at times complicated the process of setting objectives and developing strategy and undermined the underlying logic of the portfolio. It is our understanding that the division of responsibility between the MFA and Norad is such that the MFA sets the policy

6/11/2018.)

⁶⁶ Briefing note: half year update on tax related development policy, 4 July 2019; Programme logic and project portfolio for the Norwegian aid programme against marine litter and micro plastics, 6/11/2018.



objectives for a portfolio and allocates the budget and Norad then operationalise the portfolios, through more detailed design and partner selection. In the set-up of neither portfolio has this division been clear. It has been most acute in the Marine Litter portfolio, where there were inputs from the MFA (and at times from the minister) not only on the policy direction, but also the details of the portfolio logic. This caused challenges for the team, as they were trying to develop a clear evidence-based logic and new outcomes were being added and existing ones changed that didn't necessarily align with the overall objectives that were being set.⁶⁷ As one portfolio team member noted:

“A lot of political attention and interest in the start-up phase created a barrier for us to do our work.”⁶⁸

67 For example, focus on the private sector and work towards a global level agreement on marine litter (First Marine Litter ToC Workshop, 30/8/2019.)

68 KII1

In TFD, the MFA set the main policy direction – doubling of tax aid by 2020 – and largely allowed Norad and the portfolio team to design the portfolio around this. However, there have been ongoing steering and inputs from the MFA case officer.⁶⁹ While the high-profile nature of both portfolios means MFA involvement to some degree was inevitable, the combination of a compressed timeframe for portfolio design (Marine Litter), no agreed process for managing portfolio set-up (both), and ambiguity in the roles of MFA and Norad (both), made it challenging for the portfolio team to manage.

4.3.2. DEVELOPING AND REFINING A PORTFOLIO APPROACH TO MONITORING, EVALUATION AND LEARNING

Based on the portfolio objectives, strategy and theory of change, the next step in portfolio management is to develop a plan for how progress will be monitored, what questions will need to be answered to help steer the portfolio, and when and how learning will take place. This plan should also indicate what

69 KII9; KII8.

portfolio management information will come from partner reports and what will be generated through other means such as evaluations. The following section looks at how well the TFD and Marine Litter portfolios have taken this step and the factors that have impacted it. It provides the basis for our response to EQ3.⁷⁰

Both TFD and Marine Litter are in the process of developing portfolio level results frameworks as a way of tracking overall progress. The results frameworks for both portfolios are based on their respective programme logics and detail the key shorter-term and longer-term results the portfolios aim to achieve, along with details of what information will be used to assess whether the result have been achieved. The two portfolios are taking different approaches to collecting portfolio level performance data.

70 To what extent is the approach to portfolio management/governance of the portfolio likely to contribute to the achievement of portfolio objectives?



Marine Litter is using a combination of impact level indicators which MFA/Norad and embassies will collect, a few meta-indicators which grant managers will synthesise from grant reports, and four standard indicators that partners will report on in addition to their project results frameworks and evaluations.⁷¹ (See Box 6 for a discussion of the pros and cons of standard indicators.) TFD on the other hand, will use a series of high-level indicators that the secretariat will generate data on. This will be supplemented with partner reporting. Partners will be allowed to report in their own way against their results frameworks but TFD have mapped partners against the portfolio outcomes. This way, they have a sense of which partners will be reporting data on what outcomes. The TFD Secretariat will then extract relevant data from partner reports and map it onto the results framework. While we understand TFD's rationale for not wanting to impose a heavy reporting burden on partners, as is detailed below, we have questions about whether this approach is in fact going to generate meaningful data for TFD to understand the portfolio and whether the team will have the time to do this in a meaningful way.

71 The Marine Litter team has realized that it will be very difficult for most partners to report on standard indicators under outcome 1 and will for the first year of reporting aggregate the results from its partners itself.

BOX 6: EXPERIENCES OF USING STANDARD INDICATORS ACROSS THE AID ADMINISTRATION AND OTHER DONORS

The use of common or standardised indicators at the portfolio level is one way to track progress against portfolio level outcomes. They provide the possibility of generating standardised data across a portfolio of partners that can provide a clear measure of progress. Marine Litter will be using a limited number of such indicators. We spoke to several other portfolios such as NICFI, NORHED and education that have used common indicators. While all stated that they felt that using indicators helped them understand their portfolios better and provided them with a good oversight on what partners were doing,⁷² they raised concerns about how practical it is to operationalise standardised indicators across a wide range of portfolio partners and countries, given the importance of all partners understanding and applying the indicators in the same way across different contexts. Some of the key learning that has come out of these examples of portfolios using common indicators are:

72 KII18; KII19; KII32.

- *Engaging partners in the process of identifying the indicators.* This helps build their ownership and understanding of the indicators and helps with the roll out.
- *Limiting the number of standard indicators.* Given the resources required to make standard indicators work effectively, keeping them to a limited number is key.
- *Ensuring teams have the necessary capacity.* Standard indicators being reported on by multiple partners will generate significant amounts of data. It is important that teams that are using them have the necessary capacity to handle, quality control and analyse the data.

These align with many of the lessons that other donors have learnt from using portfolio level indicators.⁷³ In some agencies, they have stopped using standard indicators at the outcome level, because of the challenges of operationalizing them, and have limited their use to output level results such as 'reach' and 'scale'.

73 Vähämäki, J. & Verger, C. (2019) Learning from results based management evaluations and reviews. OECD Development Cooperation working paper 53, March, OECD, Paris.



Based on our review of partners' results frameworks and indicators, we are unsure if, in their current form, they will be helpful in reporting on portfolio-level results or supporting portfolio management. There is a high level of variance between the partners' results frameworks and their theories of change/logic (where available). Our review found that while most partners⁷⁴ (in both portfolios) have results frameworks, the quality varied greatly. Many are in the early stages of development (strengthening of indicators, alignment and baselines, etc.) and will be useful management tools following development – albeit at the grant level. Approximately half of the partners⁷⁵ in each portfolio have articulated a ToC, which also varied in detail, and causal pathways were not always elaborated. Most problematically, the majority of the partners' result frameworks are focussed on output-level results, so are unlikely to help understand whether and how the outcomes the portfolio is working towards are being achieved. This is at odds with the portfolio teams view that they have requested partners to report at outcome level. This is something that both portfolios need to look at, because based on our reading of the current grant documentation, it is unlikely that partner-level results reporting will produce credible evidence upon which to base portfolio-level decisions.

74 In Marine Litter, 20 (out of 23) partners had results frameworks and 19 (out of 20) TFD partners had results frameworks.

75 11 (out of 23) Marine Litter partners had a ToC and 10 (out of 20) TFD partners had a one.

While results frameworks and indicators are an important tool for monitoring and reporting portfolio level progress, they cannot generate all the evidence needed to manage portfolios. In both TFD and Marine Litter there was a sense that the results framework and the associated indicators were important tools for monitoring, communicating and reporting progress,⁷⁶ but they were unlikely to help answer some of the knotty questions the teams had around how the portfolio is performing. As one TFD stakeholder noted:

“Everything between the lines [in the ToC] is not answerable through a results framework.”⁷⁷

Other teams we spoke to made similar points. For example, staff from the SIVSA's NICFI portfolio said that portfolio level indicators helped them say what organisations had contributed to a particular outcome, and keep track of what individual partners were doing, but they couldn't help the team understand how the different parts of the portfolio were coming together, particularly at country level.⁷⁸ Similarly, NORHED staff found the results frame-

76 KII10

77 KII10

78 KII18

work useful to answer questions about what the portfolio is achieving, but they used other tools such as portfolio evaluations to inform decisions around how the portfolio needed to adapt and future strategy.⁷⁹ As is described below, a combination of tools is needed to generate the evidence required for effective portfolio decision making.

Portfolios need to surface key learning questions and identify which tools can best be used to answer them.

At the second ToC workshop that we ran with both portfolios, we asked teams, based on the ToC, to identify the questions they need to answer to be able to more effectively manage the portfolio. We also gained insights to this question through many of the interviews. We called these learning questions. Table 1 (next page) lists the common learning questions people had. We have grouped these into five different categories; questions that related to: 1) the progress of individual grants and what they are achieving; 2) the way the portfolio is working together and whether synergies are being created or gaps; 3) understanding what works and therefore what should be continued, scaled up or stopped; 4) how the portfolio is progressing towards its objectives; and 5) the future direction of the portfolio.

79 KII19



Table 1. Portfolio Management Questions Identified by Tax for Development and Marine Litter Grouped into Types of Questions and Evidence Sources

Type of question	Tax for Development	Marine Litter	Examples of tools / approach for generating evidence used by aid administration and other donors
1. Progress and results of current grants	<ul style="list-style-type: none"> - How are the interventions we are funding working? - What challenges are partners facing? - What are they achieving? 	<ul style="list-style-type: none"> - Is the research we are supporting shaping policy? - What is the likely sustainability of the projects we are funding? - What has Norway's contribution to shaping and establishing a global agreement on Marine Litter been to date? 	<p><i>Grant level reports.</i> Grantee reports should provide a basic level of information on what partners are achieving. Using grantee reports and dialogue with partners, the BMGF summarises grant progress using a traffic light system, which indicates whether a grant is on/off track, its degree of alignment to the portfolio and highlights key challenges and learning. This is reviewed bi-annually by the portfolio management team. Where portfolios span multiple countries, progress is disaggregated by country.</p> <p><i>Grant level evaluations</i> can be used to supplement understanding of what partners are achieving and delve deeper into issues to establish partner contribution to results. Donors such as DFID often make grant level evaluations a condition of funding.</p>
2. Portfolio synergies and gaps	<ul style="list-style-type: none"> - Have we got the right balance of interventions at the country level, given different contextual factors? - How are the different portfolio partners working together? - Are there gaps in what we are funding at country level? 	<ul style="list-style-type: none"> - How is the portfolio working at country level? - Have we got the right mix of partners? - Is our work on a global agreement on marine litter supporting our country level efforts to improve waste management systems? 	<p><i>Mid-term portfolio level evaluations</i> can provide a comprehensive review of portfolio progress at the mid-point of the strategy/portfolio cycle. NICFI and NORHED have both used mid-term portfolio evaluations to step back and review progress and investigate how the portfolio is functioning, and shape course correction.</p> <p><i>Partner learning events</i> can be used to build up a picture of how the portfolio is performing and how partners are working together. While the evidence generated from such events is more anecdotal, it can provide important insights. The BMGF, the Hewlett Foundation and DFID all use partner learning events in this way.</p>



Table 1. Portfolio Management Questions Identified by TFD and Marine Litter Grouped into Types of Questions and Evidence Sources (continued)

Type of question	Tax for Development	Marine Litter	Examples of tools / approach for generating evidence used by aid administration and other donors
3. Hypothesis testing	<ul style="list-style-type: none"> - What are the most cost-effective ways of supporting higher tax generation? - What conditions need to be in place for effective capacity support to national tax authorities? 	<ul style="list-style-type: none"> - Do clean-up campaigns lead to greater pressure on local and national governments to act? - Is pushing recycling in certain contexts too ambitious? 	<p><i>Evaluations of specific themes or components of a portfolio</i> can be used to explore specific hypothesis a portfolio may have around what activities work, where and why. DFID has used this approach in various programmes to explore, for example, how approaches to strengthening the capacity of decision makers to use evidence works and why in different contexts.</p>
4. Portfolio progress	<ul style="list-style-type: none"> - How are we doing in relation to our overall objectives? 	<ul style="list-style-type: none"> - How are we progressing against our overall objectives? 	<p><i>Results frameworks and portfolio level indicators</i> provide an overall view of how the portfolio is performing and progressing. These can be reviewed annually and supplemented with a synthesis of partner reports to extract key learning. In order to ensure partner reports are reflective and report not just on successes but also learning, donors such as the Hewlett Foundation have built learning and adaptation into the reporting templates that partners use.</p> <p><i>Context analysis</i> can also be used to review how the wider context for the portfolio is evolving and what this means for the strategic direction of portfolio. This is a regular step taken as part of a several DFID and BMGF portfolios.</p>
5. Future portfolio direction	<ul style="list-style-type: none"> - Who do we need to fund in the future? - How does the portfolio begin to operate in FCAS environments? 	<ul style="list-style-type: none"> - Which new partners can help us achieve our goals? 	<p><i>Forward looking research and landscaping</i> helps position the portfolio for the future. Marine Litter and TFD are already doing aspects of this having commissioned specific research to inform future funding decisions and expanding the portfolio into new areas and contexts. The BMGF uses landscape mapping to identify future possible partners, and their respective niches as part of the development of new portfolio strategies.</p>

Other portfolios identified similar types of questions. For example, SIVSA noted, with regard to their NICFI portfolio, that they wanted to know whether there had been synergies between partners at global and national levels, whether there were overlaps and/or gaps in the portfolio, and what the lessons were in how interventions were being implemented, that could be shared between partners to improve implementation.⁸⁰ Likewise, NORHED wanted to know about what adjustments/corrections should be made to the overall portfolio design to inform the future strategy.⁸¹

These are all big questions and, in some cases, difficult to answer with any precision, but the reality of portfolio management is that those managing the portfolio will need to make judgements on them irrespective of whether they have evidence to hand or not. As such, it is important that plans are put in place for how these questions will be answered, and what types of evidence is needed for each. It will not be possible to answer all questions with equal levels of rigour, but if the questions are made explicit, it is then possible to have a discussion around what quality of evidence is needed

80 KII18.

81 KII19.

given the importance of the decision. Different tools and approaches can be used to generate evidence on these types of questions. Drawing on existing practice within the aid administration and other donors, Table 1, list some of these tools.

Both the TFD and Marine Litter portfolios plan to supplement their results reporting with portfolio level evaluations. This will provide an important tool for informing portfolio management. Recognising the need to supplement their results frameworks with other tools for evidence generation, both portfolios are planning on commissioning portfolio level evaluations. Marine Litter for example plans to conduct an evaluation of the portfolio is 2021. Similar portfolio level evaluations have been used by NICFI and NORHED to good effect. While portfolio level evaluations are often mandated in grant scheme rules, previous evaluations have indicated that they are not always undertaken.⁸² As such we cannot say how widespread their use is across the aid administration.

TFD's approach to using evaluation is slightly different. They are contracting a research organisation to work alongside them for the next four years to provide support

82 Evaluation of Norwegian Aid Administration's Practice of Results-Based Management (Report 4/2018)

on *ex post* analysis to shape grants and *ex post* evaluative work to understand the performance of the portfolio. With the right structure, we think this holds exciting potential for providing the flexible evidence support that the TFD team needs. They are also exploring how they can use their grant to UNU-WIDER to support further evidence generation around the performance and learning of their bilateral engagements.

There are a range of mechanisms that other donors such as BMGF, DFID, SIDA and others use to supplement teams' own efforts, and provide support to portfolio-level evidence generation. These are listed in Box 7 (next page). The first two are akin to what Marine Litter and TFD are planning. The third – learning partnerships – is a different approach that involves an external organisation working alongside a portfolio team in partnership and providing all evidence and learning services. The other model is of course to invest in inhouse capacity and build a team that can provide these types of services in house. There are advantages and disadvantages to all these models. Moving forward, the aid administration may want to pilot each of these models across a selection of portfolios to better understand what model works best for what types of portfolios. The drawdown contract model is already being piloted by TFD, and portfolio evaluations have been used by several portfolios already.



BOX 7: DIFFERENT TYPES OF EVIDENCE SUPPORT

Ongoing/periodic evaluations: Evaluations that are either portfolio wide, or focus on specific components, can be commissioned at different points in the portfolio cycle to provide insights and analysis of what's working well and what isn't, to inform learning and adaptation. NORHED has used this, as do any other donors such as DFID and BMGF.

Drawdown contracts: This is a multi-year flexible contract with an external organisation (or a consortium) that is used to supplement internal team efforts, with *ad hoc* piece of work such as literature reviews, policy analysis, development of theories of change, etc. This model is used by DFID and SIDA. This is the model that TFD are planning on contracting.

Learning partnership: These are structured, long-term partnerships between a portfolio team and an external organisation (or consortium). They tend to cover a much wider range of evidence and learning services. This includes: literature reviews, evidence mapping, case studies, evaluations, facilitating learning events with partners and within the portfolio team. Learning partnerships are more structured than drawdown contracts, and often built around an evolving sets of learning questions that provide the focus for evidence generation. Importantly, to work effectively, the learning partner while independent, need to be embedded in the portfolio team. This enables them to develop better insights into what the team needs, but also advocate for evidence use in key discussions and decisions. Several philanthropic foundations use this model, including BMGF, Rockefeller Foundation, and Hewlett Foundation.

4.3.3. SELECTING GRANTS AND INTERVENTIONS THAT ALIGN WITH THE PORTFOLIO OBJECTIVES

Selecting the best mix of interventions, initiatives and/or partners to achieve the portfolio objectives is central to portfolio management. How this happens may vary: a portfolio might decide to disburse all its funds at the start of the portfolio strategy period, add partners in selective rounds, or on an ongoing basis. However, what is important is that there is alignment between what/who is being supported and the portfolio objectives. The following section looks at how well the TFD and Marine Litter portfolios have taken this step and the factors that have impacted this. It provides the basis for our response to EQ2⁸³ and EQ4.⁸⁴

83 To what extent is there strategy alignment between the partners funded through the portfolio and the ToC?

84 To what extent is efficiency considered in the selection of projects?

In selecting partners both TFD and Marine Litter assessed the alignment with and ability to deliver on the portfolio objectives as a key criterion. TFD and Marine Litter have both taken the step, as part of their grant selection process, to map applicants onto their high-level portfolio objectives. This helped to surface their strategic alignment with the portfolio and inform whether they were the 'right fit'. While the alignment with the portfolio objectives is not consistently reflected in the decision documents for grants, members of both portfolio teams indicated that it was a key part of discussions.⁸⁵ For example, partners seeking funding from the Marine Litter portfolio need to explain which programme outcomes their project will contribute to. In addition, both teams shared documents that detail which partner contributes to which portfolio objectives.⁸⁶ Furthermore, as is discussed below, our independent review of the strategic alignment of the portfolio is positive.

We found several other portfolios use similar mapping exercises to align partners to portfolio objectives. For example, the education portfolio and the

⁸⁵ KII1; KII2; KII3; KII4; KII5; KII7; KII8; KII10; KII12.

⁸⁶ Marine Litter's Portfolio Budget Overview and Mapping (October 2019); List of grantees – TFD.

human rights portfolio both used mapping to understand what was already being funded in these two areas across the aid administration and, then how existing efforts mapped on to newly selected objectives for these two areas. Others such as the civil society portfolio for Norway's International Climate and Forest Initiative (NICFI) and the women, peace and security portfolio mapped partners onto objectives, and mapped them according to which countries they were working in.⁸⁷ Similarly, the Humanitarian Department is using this method as parts of its current calls for proposal, so as to develop a more coherent humanitarian portfolio aligned to the objectives of its new strategy. Many of those that have used this method say that it has deepened their understanding of their portfolios, helped spot overlaps and gaps in the portfolio, and helped support collaboration opportunities between partners.⁸⁸

Based on our review of the portfolio ToC, all partners in both TFD and Marine Litter are either 'clearly' aligned or 'partially' aligned to one (or more) of the outcomes identified in the portfolio ToC. As mentioned in section 4.4.1, through this evaluation, we have supported both

⁸⁷ KII18.

⁸⁸ KII18; KII31.

teams to further unpack their intervention logics and articulate portfolio-level theories of change. As part of our support, we then also conducted a review of the existing partners to assess the degree of alignment with the new theories of change. To do this we used a three-point rating scale to assess the degree of alignment between a partner and outcomes ('clearly aligned', 'partially aligned' and 'not aligned' [see Box 5.](#)⁸⁹).

In the case of Marine Litter, we found that all 23 (approved) partner grants either 'clearly' aligned or 'partially' aligned to one (or more) of the long-term outcome areas identified in the revised ToC (See Annex 4 Figure 1 for description of outcomes). The largest proportion of projects are found to have clear alignment with Outcome 5 (National and Local Authority Capacity) and Outcome 8 (Production and Dissemination of Evidence) whereas fewer projects are found to have clear alignment with Outcome 1 (Waste Management Infrastructure) and Outcome 4 (Private Sector – placeholder).

⁸⁹ Alignment ratings are defined as follows: 'Clearly aligned': Available evidence suggests that the partner activities will directly contribute towards the achievement of the outcome statement; 'Partially aligned': Available evidence suggests that the partner activities may (in some way) contribute towards the achievement of the outcome statement; 'Not aligned': Available evidence fails to provide any basis to determine if the partner activities will contribute towards the achievement of the outcome statement. See Annex 4: Portfolio Alignment Review Programme to Combat Marine Litter.



Notably, Outcome 2 (Sustainable Waste Management Systems) has the least number of projects with clear or partial alignment, however, the average size of such projects tends to be larger than in other areas.

Similarly, in the case of TFD we found that all 20 (approved) partner grants are either 'clearly' aligned or 'partially' aligned to one (or more) of the outcome areas identified in the revised ToC.⁹⁰ The distribution of partners is found to be relatively balanced across the five outcome areas. The largest proportion of projects are found to have clear alignment with Outcome 3 (Civil Society Influence and Hold Government to Account) and Outcome 4 (National Tax Authorities' Capacity and Understanding). Outcome 5 (High Quality Research) has the highest proportion of projects with both clear and partial alignment. There are fewer projects with clear or partial alignment to Outcome 1 (Civil Society Influence Global and Regional) and Outcome 2 (Underrepresented Countries have Greater Ownership).

While we recognise that both portfolios are still in development, based on the current balance of grants across the theories of change, there are certain outcomes that are unlikely to be realised given the current balance of grants. For Marine Litter, there is

a concentration of partner activities that are clearly aligned to Outcomes 5 and 8 whereas there are notably less aligned on Outcomes 1, 2 and 4 – suggesting that the latter outcomes may require more focussed efforts in order to ensure that ToC outcomes are achieved. Likewise, in TFD there is a concentration of partner activities with clear alignment across Outcomes 3 and 4 whereas there are notably less aligned with Outcomes 1 and 2. Again, these are outcomes that the TFD team should look at carefully. This finding is of course caveated with a clear acknowledgment that both portfolios are still being built. For example, marine litter has already discovered a gap in relation to support to private sector involvement and is actively addressing this. While, TFD is still awarding grants to build up its various portfolio components.

Complementarities between partners has been considered in the process of selecting partners, although this is not always explicit in grant documentation. The programme documents for both portfolios explicitly state the intention to fund partners that complement each other – for example, Marine Litter wants to support partner that target key players in waste management in priority countries⁹¹, while TFD

wants to support tax reforms through strengthening the capacity of tax administrations, while also mobilising constituencies from the outside to exert pressure.⁹² While this is not consistently recorded in the grant decision documents⁹³, both portfolio teams stress that identifying complementarities between partners is a key discussion point around any new grant.⁹⁴ The temporal aspect of the partners work is also recognised, projects are at different stages and may realise results earlier than others. For instance, one member of the TFD team commented:

“Every time you consider entering into a new grant agreement you look at joining the dots and the added benefit. It should be part of the rationale for selecting a partner. You take existing partners into account when selecting new partner. Its messy, but the right way to do it.”⁹⁵

⁹² Tax for Development 2019–2023.

⁹³ While decision documents have a section on working with other actors in country, it doesn't specifically require details of how partners will work with other portfolio partners.

⁹⁴ KII10, KII12; KII3; KII4; KII5.

⁹⁵ KII8

⁹⁰ See Annex 5: Portfolio Alignment Review Tax for Development.

⁹¹ Programme logic and project portfolio for the Norwegian aid program against marine litter and micro plastics, 6/11/2018.



In both portfolios we found that partner selection started before the design of the portfolio was completed. This may create challenges for portfolio management later down the line. While both portfolios developed draft portfolio strategies as part of their start-up, these documents have evolved multiple times. This has included changes to core design features such as portfolio objectives and outcomes, and associated results framework. However, in this time, grants have started to be awarded.

This causes challenges for aligning partner results framework to the portfolio and ensuring that partners report meaningful data to inform portfolio management. Ideally, partners should be made aware of the portfolio objectives and the associated ToC while they are developing grant proposals, this way they can identify the specific portfolio outcomes they are working towards, show how they are contributing, and develop results frameworks that more directly feed the portfolio results framework. Because portfolio outcomes are often at a fairly high level, this should not distort what partners do – a concern of some of the portfolios.

Another challenge with this is that, as the design of the portfolios evolve, so partners alignment may start to shift. Both portfolio teams acknowledged that this was not ideal and that ideally, a sequence would have been followed.⁹⁶ We saw this same challenge in several other portfolios, including NICFI. In all cases, this practice seems to be a product of pressures to get portfolios established and disbursing funds quickly, and, we would argue, there being no formal process to guide the development of new portfolios.

*There has been a strong emphasis in both portfolios towards supporting multilateral organisations, with over 50% of the TFD and Marine Litter budgets allocated to multilateral partners.*⁹⁷ The TFD portfolio strategy states that the portfolio composition is based on the comparative advantage that various organisations have in influencing global standards and facilitating change at the country level. At the country level, multilateral organisations such as World Bank and IMF are considered to have the widest geographical impact, good ability to work with very vulnerable states, large delivery capacity,

⁹⁶ KII8.

⁹⁷ In context, this finding is unsurprising as over half of Norwegian Aid is channelled through multilateral partners.

deep expertise in tax, and the ability to rapidly scale up efforts.⁹⁸ While at the global level, the OECD and the UN are the two most important actors operating in the global tax arena.⁹⁹ 60% of the TFD portfolio budget is currently allocated to multilateral partners. Similarly, the Marine Litter portfolio strategy states that the World Bank and United Nations have been given priority, since they are seen to have the widest reach to reach wide with their programmes, measure impact and coordinate different actors. They also have capacity to manage relatively large funds. 54% of the Marine Litter portfolio is allocated to multilateral organisations.

Both teams raised the point that working through multilateral partners can make portfolio management more challenging. This is because Norway is just one of many donors to these agencies, and as a result, its influence on what they do and how they work is more diluted.¹⁰⁰ As such, the portfolio teams often need to mobilise both grant management

⁹⁸ Briefing Note: half year update on tax related development policy, 4 July 2019.

⁹⁹ The OECD because of the mandate it has from the G20 on setting standards on tax, and the UN tax commission because it is the only international forum on tax that has representation from all countries.

¹⁰⁰ KII12; KII4.



relationships and Norway's formal representations on the governance of these institutions to nudge these organisations in the desired direction. This contrasts with CSOs and agencies such as NTA, where both portfolio teams feel that they have more scope to shape their work and support adaptation.¹⁰¹

Both portfolios, for different reasons have had to balance strategic funding, with selecting partners that could absorb large amounts of funding. As discussed above, both TFD and Marine Litter are considered political priorities. This has led to both receiving large budgets, but also being put under pressure to spend the funds quickly. In the case of TFD, the political commitment to double tax-related aid by 2020 means that embassies and Norad together are likely to spend approximately NOK 330 million on tax in 2019, with around NOK 260 million being managed through Norad, and NOK 185 million of this being managed through TFD. As discussed above, while there have been efforts to carefully consider partner selection, ensuring the political spending commitment is met has created strong pressure to disburse funds. This has led to the portfolio expanding quickly, with a strong focus on funding partners that

¹⁰¹ KII12; KII4.

can absorb large amounts of funding. As one portfolio team member (KII9) noted:

“We have ideas to develop the portfolio in fewer but bigger components, but now need to throw ourselves over more partners than normal because of the Norwegian commitment, so it is more politically driven than other programmes....it manifests into us having to find partners who can put more money to work, while still trying to be systematic about how we go about it (how much to put into research, etc).”

Similarly, Marine Litter, because of the strong political backing it had, received a lot of funds that needed to be disbursed in a short space of time.¹⁰² While the portfolio team recognised the benefits of being a political priority, they also felt the tensions between disbursing funds quickly and spending the time to find

¹⁰² KII6.

good partners that could deliver on what was needed for the portfolio – something they struggled with.¹⁰³ This tension was arguably more acute for Marine Litter than TFD because this was a completely new area of work for the aid administration, so there were no established partner networks that they could draw on. For example, one team member commented that if they had had more time, they may have done an open call for proposals to see what partners were available.¹⁰⁴ Another remarked that they have had to spend a lot of time working with some partners to strengthen their capacity to deliver, as they didn't always have all of the necessary experience to deliver.¹⁰⁵

The pressure to disburse funds is another reason why there is a heavy weighting towards multilateral partners in both portfolios.

¹⁰³ KII5, KII6, 2nd Marine Litter Workshop, 16/10/2019.

¹⁰⁴ KII6.

¹⁰⁵ KII6.



The fact that Marine litter was a completely new area of work for the aid administration has meant the team has needed to spend time “building the field of marine litter in development”, particularly a strong network of partners. The idea of ‘building the field’ is often used by philanthropic foundations and relates to the work that needs to be done around an issue – e.g. marine litter – in strengthening the capacity of organisations, the networks between them, and investing in evidence generation to better understand the problem, to sustain activities on the issue in the long term. It is partly informed by systems thinking and the notion that change is difficult to predict, but if there is a network of skilled organisations working on this issue, they will be able to mobilise whenever windows of opportunity emerge. We discussed the idea of field building in the second ToC workshop with the Marine Litter portfolio, and many in the team felt that this is what the portfolio was in fact doing, and what it needed to do more of, and that it should be reflected in the ToC as a short-term outcome of the portfolio. See Section 2.2 to see how we integrated this into the portfolio ToC.

4.3.4. MANAGING AND COORDINATING GRANTS TOWARDS PORTFOLIO OBJECTIVES

Once resources have been disbursed, portfolio management involves: 1) oversight of the grants or interventions to ensure they are delivering on their objectives and remain aligned to the overall portfolio objectives; and 2) coordinating between grants or interventions to create synergies, manage redundancies and share learning and good practices. While both portfolios are still at an early stage of their implementation, the following section provides insights into some of the early practices that are being used to operationalise these steps. It provides the basis for our response to EQ3.¹⁰⁶

Both portfolios have made efforts to support partner coordination and collaboration in support of the portfolio objectives. Both portfolios are actively encouraging collaboration between partners. Given the importance of creating synergies to realising the portfolio objectives, this is an important portfolio management practice.

This is being done through a number of strategies including: partner events, grant management and

¹⁰⁶ To what extent is the approach to portfolio management/governance of the portfolio likely to contribute to the achievement of portfolio objectives?

wider influencing. Both portfolios have convened partners through formal events/workshops. TFD organised a workshop in collaboration with SIVSA that brought together CSOs working on tax and financial transparency issues to share what they are doing and encourage greater collaboration at the country level. This led to recommendations for more effective cooperation, and in a few cases, new partnerships being formed.¹⁰⁷ Similarly, Marine Litter recently organised a partner workshop in October 2019 which brought together all partners. Prior to this, they had also convened all the Norwegian-based partners. Both events were used to communicate the objectives of the portfolio and to enable partners to learn what each other is doing and encourage collaboration. Other portfolios we reviewed also used this practice including: SIVSA's NICFI portfolio and the Women, peace and security portfolios.

Both portfolios also facilitate collaboration between partners through ongoing grant management and wider influencing. For example, TFD uses its representation at the platform for collaboration on tax to encourage greater cooperation between its multilateral partners. It

¹⁰⁷ KII10; Briefing Note: half year update on tax related development policy, 4 July 2019.



also uses Norway's role, through the Ministry of Finance, in the OECD to voice the interests of developing country in tax standards, thus helping to support a key component of its portfolio ToC. Similarly, as described above in section 4.3.2, facilitating coordination between partners is built into grant decisions in both portfolios. For example, in Marine Litter, team members indicated that where interventions or concepts are similar, they discuss where partners could work together and request that they consult each other prior to approving the grant.¹⁰⁸

Partner events are valued opportunities for exchanging knowledge and coordination; moving forwards partners would like to use them to share more learning. The primary purpose of the partners events is to share knowledge and encourage collaboration. These are important events for making partners aware of what everyone is doing, but also communicating the goals and intentions of the portfolio they are funded through. All the partners we spoke to saw real value in these events and would like to see them happen more regularly. While these are important objectives, as the portfolios evolve, there will be more of a need to use these events to understand how the portfolios are performing and sharing evidence and learning on what is working and what not. Many of

the partners we spoke to, though a limited sample, said they would like to see the events used in this way. The theories of change could be a useful structuring device for the discussions, and partners could be engaged in discussion around whether and how outcomes are being achieved, lessons being learnt and assumptions holding. This would help to focus the conversation with partners more on to how the portfolio is being operationalised in practice, and the challenges and enablers of it.

4.3.5. COLLECTING, ANALYSING AND USING EVIDENCE TO LEARN, ADAPT AND REPORT

Central to effective portfolio management is gathering, analysing and using evidence to inform decisions. This evidence can be existing research and/or evaluations which say something about what works in a specific issue; or results evidence that indicates how grants and the portfolio are performing. Results evidence should be used on an ongoing basis to understand how individual grants and the overall portfolio is performing, what's working, what isn't and what needs to be adapted. This should inform, in an iterative way, the ongoing management and coordination of the portfolio of grants and interventions (step 4), and on a longer cycle feed into the periodic review and adaptation of the overall strategy (step 1). Wider research and evaluations should be used to inform the initial portfolio design, and to shape

its future direction. This section looks at how well we think the TFD and Marine Litter portfolios are set up to take this step in the future, and the factors that may impact this. It provides the basis for our response to EQ3.¹⁰⁹

Both portfolios drew on existing evidence to inform the initial portfolio design. As discussed in section 4.3.1, both portfolios, to varying degrees, grounded their portfolio designs in reviews of what the existing evidence indicates works/or doesn't, within Marine Litter and TFD. This review of evidence helped improve understanding of the nature and extent of the problem and identify where there are gaps in information. It provided a basis for the teams to identify which parts of the problem to focus on and in which contexts.

There are several instances of evidence informing specific decisions around portfolio design and new partners in both portfolios. Since the TFD portfolio has been established, the team have continued to undertake discreet pieces of research to inform portfolio decisions. For example, in response to the government policy of increasing support to fragile

108 KII3; KII5

109 To what extent is the approach to portfolio management/governance of the portfolio likely to contribute to the achievement of portfolio objectives?



and conflict-affected states (FCAS), TFD conducted a study to explore how the portfolio could work in FCAS contexts. The study reviewed evidence on tax systems in such settings and potential partners to work with which led to a decision to fund the World Bank on customs reforms and UN-Habitat on land taxes.¹¹⁰ Similarly, Marine Litter recently commissioned research to understand how the portfolio should engage with the private sector.¹¹¹ Both examples reflect how bespoke pieces of research can be used to strengthen decision making around future portfolio direction.

Both portfolio teams are informally sharing evidence around grant level performance, but neither has

¹¹⁰ Increased efforts in vulnerable states are a clear direction for development policy given by the Government. Analyses shows that local, land-based taxes and tariffs are two types that can generate significant benefits in vulnerable states with weak central administration and weak social contracts with the population. Local taxes can help build trust between taxpayers and the authorities, and improved customs administration can contribute to state building because it, among other things, gives the state better control of the borders. Therefore, in 2019, TFD plans to enter into an agreement with UN-Habitat on land-based taxes, as well as grant additional grants to the World Bank multi-donor trust fund for tax to support work on customs reform in vulnerable states [Briefing Note: half year update on tax related development policy, 4 July 2019.]

¹¹¹ Resource Futures (2019) How to engage the private sector to prevent and significantly reduce marine litter – Draft Final Report, Sept 2019.

identified a cycle for when they will formally step back, synthesise evidence and review performance, reflect on lessons learnt and adapt portfolio strategy. While there is an established cycle for managing grants in both portfolios, involving bi-annual reports and partner meetings to discuss performance and course correction, a similar process is yet to be developed for the overall portfolio level. It is, however, clear that both teams are discussing the progress of different aspects of the portfolio on an ongoing basis, through team meetings and informal discussions. Neither has identified the specific moment (or moments) when the entire team steps back and reviews the portfolio.¹¹² In the absence of this, it is unclear when results evidence from across the portfolio will be compiled, analysed, reviewed and discussed by the teams. The annual reporting to parliament and the development of Prop 1 could provide a natural structure or timeline for this. As grant reporting happens at different points in the year, this adds complexity at the portfolio level. In TFD, for example, grant reports are submitted over a six-month period.¹¹³ Moments of portfolio-level learning, therefore, need to be sequenced

¹¹² KII12; KII33; KII10.

¹¹³ KII12; KII33.

so that an entire portfolio perspective is possible using the most up-to-date data evidence.

There are concerns around portfolio team capacity to undertake cross-portfolio analysis and extract useful insights and data. TFD and Marine Litter both expressed concerns around team members having the time to review grant reports and extract the relevant information and lessons to inform portfolio management. Marine Litter had yet to agree how they will do this, while TFD indicated that responsibility would sit with individual team members. Given the current resource constraints in both teams, we think it is ambitious to think this could be undertaken, in a meaningful way, with the existing capacity. Certain skills are required to be able to synthesise evidence from different sources and distil the lessons that are most useful for the portfolios moving forward. In addition, without clarity on the key questions or the specific decisions that will be informed by the analysis, there is a risk that it will be unfocussed and, therefore, of limited value to portfolio management. The call down contract that the TFD team are currently contracting may be a way of managing these capacity constraints.



Conclusions

This evaluation has assessed two portfolios in relation to their approach to portfolio management – Tax for Development and Marine Litter – while also reviewing wider approaches to portfolio management across the aid administration and practices of other donors. This section presents our conclusions from the evaluation.

CONCLUSION 1: *While the aid administration has made progress in some areas of portfolio management, there are continued challenges related to the use of results evidence to inform portfolio level learning and management.* Through the evaluation we looked at two portfolios in depth and conducted a lighter touch review of six other portfolios. Based on this, we found variation in how portfolio management is practiced, both between portfolios and across the five steps in portfolio management.

Practice around step 1 and 2 of portfolio management was generally good. Both Tax for Development and Marine Litter had set clear objectives for the portfolio (step 1) and used these to inform who and what they

funded (step 2). They also both had a portfolio strategy that operationalized the objectives, although neither had a portfolio theory of change. We saw this replicated across several other portfolios. In selecting what to fund, both Marine Litter and Tax for Development reviewed the comparative advantage of partners and assessed their complementarity to deliver on objectives.

Similarly, we found examples of good practices in how portfolios managed and coordinated grants towards portfolio objectives (step 4). While we have less evidence for this step, as both Marine Litter and Tax for Development are still in the early stage of portfolio implementation, we still found evidence of both teams using grant management to steer partners and encourage greater coordination between them through activities such as partner events. This is an important step in portfolio management as it is where a portfolio transitions from design to implementation. It is when adaptations can be made to portfolio strategy in response to changes in the context, synergies created between partners based on emerging opportunities, and redundancies identified and managed. These are essential

management practices in the effective and efficient use of aid resources.

Where we saw the biggest challenges in portfolio management, and some of the most variable practices between portfolios, relates to step 2 (development portfolio approach to monitoring evaluation and learning) and 5 (collecting, analyzing and using evidence). Together these two steps operationalize the use of evidence in portfolio decision making and learning and underpin all other steps. While Marine Litter and Tax for Development have used research evidence to inform the initial portfolio design and to inform funding decisions, the use of results evidence to inform ongoing portfolio management is more limited. While this is mainly a product of both portfolios being new, other portfolios are also struggling in this area. Several portfolios such as NICFI and education, have developed portfolio level result frameworks and indicators as a way of tracking performance. This is an important development in portfolio management, but portfolio level indicators cannot generate all the evidence needed to effectively manage



a portfolio. Some portfolios have recognized this and have, or are, planning to use portfolio level evaluations to generate additional evidence needed to steer their portfolios. However, previous evaluations of RBM indicate that the use of portfolio level evaluations, despite it being required in grant scheme rules, still isn't widespread across the aid administration. Without a comprehensive approach to generating and using research and results evidence in portfolio management promising practices may not be recognized and scaled up, lessons not identified and bad practice repeated, and opportunities for synergies missed. The overall implication of this is that the potential impact of portfolios may be reduced.

CONCLUSION 2: *Portfolio management in the aid administration operates in the absence of a single clear portfolio approach, process or guidelines. This is a major contributing factor to the current variability in how portfolio management is practiced.* There is no single clear portfolio approach within the aid administration that clearly describes what is expected of all portfolios. This is causing confusion. There aren't any established processes or standards for developing and managing a portfolio. In this vacuum, practices of portfolio management inevitably vary. The introduction of the planned new guidance on portfolio management in the grant manual – a core institutional document – will likely be a useful step. However, it is

important to recognize that the development of the guidance won't be enough; other barriers to effective portfolio management will also need to be addressed (see below).

CONCLUSION 3: *The governance of portfolios across the aid administration are not fit for purpose. The cross-cutting nature of portfolios budgets requires units to work together. This requires formal cross unit governance arrangements. These are not commonplace across the aid administration. This is stifling effective coordination of partners and initiatives within portfolios.* Portfolios budgets often cut across departments, units and sections, and even ministries. This means delivery is dispersed. This requires governance arrangements to be established to facilitate ongoing coordination. While both Tax for Development and Marine Litter had arrangements with varying degrees of formality, from what we understand, this is not common practice across the aid administration. Without effective portfolio governance in place, the aid administration ability to coordinate across multiple partners and initiatives, facilitate synergies and share learning, will be challenging and the benefits of the portfolio approach will be curtailed.

CONCLUSION 4: *The cross-cutting nature of portfolio budgets also means accountability for portfolio*

delivery and performance is dispersed between units. Again, this works against the portfolio approach as there is no clarity on who is ultimately accountable for managing and delivering the overall portfolio, rather than just its component parts. Another implication of a portfolio budget being split between different units, is that it can lead to no one unit having a clear mandate to manage a portfolio. When a portfolio aligns with a budget post and grant scheme rules, then the accountability for portfolio performance and delivery is clear. But, when a portfolio cuts across budget lines, which may be more common in the aid administration, then overlapping accountabilities are created. This produces ambiguity around who is ultimately accountable for the delivery and overall performance of a portfolio. Without this clarity, oversight and direction of the portfolio becomes challenging.

CONCLUSION 5: *Time and political pressures around the design and delivery of portfolios can impede and hinder effective portfolio management.* Both the Marine Litter and Tax for Development portfolios, because of their high-level visibility and political importance, have faced pressures to disburse funds in short timeframes. This has created tensions with effective portfolio management. It has meant that more partners have been funded than is ideal given

the capacities of the team. Partners' ability to absorb large amounts of funds has outweighed other factors in the selection of grants, and inadequate time has been spent conducting comprehensive assessments of the landscape of potential partners before starting granting. The pressure to design the portfolio and start funding also created challenges for Marine Litter to embed the portfolio design in the best available evidence on what works in marine litter. This shaped how effectively evidence could be reviewed and, ultimately, how well it could be integrated into their design. While we appreciate that political imperatives mean that portfolios will sometimes need to be established quickly, the process that surrounded the set-up of the Marine Litter portfolio was too rushed given the budget and importance of the portfolio to Norwegian aid. While we found some evidence of other portfolios having faced similar pressures, our evidence for this conclusion is primarily grounded in the experience of the Tax for Development and Marine litter.

CONCLUSION 6: *The aid administration is not investing sufficiently in portfolio management capacity to enable effective portfolio management.* Effective portfolio management takes time and resources. This requires capacity. We found that management capacities vary greatly across portfolios.

For example, the TFD Secretariat, has four full-time staff members dedicated to the portfolio, while Marine Litter, even though it has a large annual budget and is managing more partners, has a Programme Group with representatives that are not exclusively dedicated to this portfolio. This places significant strain on the group, but also poses a major risk to effective portfolio management. We found similar variations in management capacity across the other portfolios we reviewed, with some like TFD with full time staff dedicated to managing the portfolio (e.g. NORHED), and other with much more dispersed capacities (e.g. education). This contrasts with comparator donors we reviewed, such as DFID and BMGF, that as part of the design of a portfolio, formally review management arrangements and needs, given its size and complexity. By not doing this, the aid administration is creating latent risks for the effective and successful delivery of portfolios. This capacity constraint is particularly acute for monitoring evaluation and learning. Many of the portfolios we engaged with are already stretched, and struggle to undertake tasks such as synthesizing partner reports and distilling actionable lessons, in a meaningful way, on top of their existing responsibilities. The reality is this often gets squeezed and teams' engagement with evidence is limited. This is a particular risk, given our first

conclusion, that suggests effective portfolio management will require greater investment in evidence generation, be it through commissioning evaluations, entering into learning partnerships with external providers, or recruiting additional staff that are dedicated to generating and communicating evidence to inform portfolio decision making.



Recommendations

It is key to decide which interventions should be actively managed as a portfolio.

The following section details our recommendations on how to strengthen portfolio management. We have provided specific recommendations for the Marine Litter and Tax for Development portfolios to improve current portfolio management practices. These are detailed in Annex 4 and 5, respectively.

It is important to stress that our recommendations are not designed to simply add to the layers of bureaucracy within the aid administration, but rather to create an enabling environment for portfolios to be managed in a more consistent and effective way across the aid administration. Through these measures, we believe the aid administration will be able to have a more significant impact on development outcomes.

1. *The aid administration should develop a clear and consistent approach to portfolio management.* The lack of such an approach at present means practice is highly variable. This approach should identify the steps that need to be taken in the design of a portfolio, and the expected practices for ongoing management and adaptation. We suggest this be built around the five steps in portfolio management used in this evaluation. At each step minimum standards/expectations should be identified. Table 2 (next page) lists our proposed recommendations such standards. The aid administration's approach to portfolio management should be included in the Grant Management Manual. Training should then be rolled out on this portfolio approach.



Table 2 Proposed Minimum Standards for Portfolio Management Across the Aid Administration

	Steps in portfolio management	Minimum standards
Portfolio Design	Step 1 – Setting objectives and strategy	All portfolios should have clear objectives, a strategy detailing how the portfolio will be structured and operationalized, and a ToC unpacking how and why they think change will happen through the portfolio.
	Step 2 – Selecting partners	All grant applications related to a portfolio should indicate how the partner will contribute to the portfolio outcomes and what data they will collect to help evidence them. The decision documents for all grants made through a portfolio should indicate clearly the unique role the partner will play in contributing towards the portfolio objectives and what will be done to ensure they complement the work of others in the portfolio.
	Step 3 – Monitoring evaluation and learning approach	All portfolios should have an intervention logic or ToC, results framework and evidence plan. The evidence plan should outline the key learning questions that if answered will help steer the portfolio. This plan should include how the portfolio will use evaluations to strengthen its evidence.
Portfolio Implementation	Step 4 – Managing and coordinating partners and initiatives	All portfolios should plan for periodic learning events where partners are brought together to coordinate activities, exchange knowledge and reflect on learning.
	Step 5 – Collecting, analysing and using evidence to inform portfolio decisions	All portfolios should have an annual cycle of review, reflection and learning. This should involve synthesizing progress against objectives and learning. Key adaptations should emerge from these reviews.

2. *The aid administration should institute a regular process of reviewing portfolio performance led by senior management.* Currently, other than the annual reporting process to parliament, there is no formal, detailed review of portfolio performance. In the absence of this, there is arguably limited pressure within the system for portfolios to track progress and engaging in learning. This is needed to incentive the operationalization of portfolio management across the aid administration. Within the MFA this should happen at the level of the Deputy Secretary General, within Norad it should be conducted at the level of the senior management team.

3. *The aid administration needs to ensure that each portfolio has a single unit accountable for delivering the overall portfolio objectives.* The current practice of multiple Departments

and Sections being accountable for specific components of a portfolio makes portfolio management challenging. Portfolio delivery is always going to involve multiple units, and even overlapping portfolios (such as the civil society and Marine Litter portfolios), and as such effective coordination mechanisms need to be established that support this. But one unit should be identified as being accountable for overall delivery and leading coordination of overall portfolio. Their role is to lead on many of the practices identified under recommendation 1.

4. *The aid administration needs to ensure that the management capacities of portfolio teams meets the needs of the portfolio.* The management capacities of portfolios vary, and the size and complexity of the portfolio seems to have

limited bearing on this. The aid administration should therefore include an assessment of management needs during portfolio set up. This should consider the overall budget, the potential number of partners, and the degree of coordination that will be needed across government. As part of this assessment, there also needs to be a review of what level of resources are likely to be required to generate the evidence needed for effective management and delivery (e.g. ad hoc research studies, evaluations, what-works syntheses, partner assessments etc.). This should then lead to financial resources being set aside in a portfolio budget for evidence generation. Depending on the nature of the evidence need, portfolios should explore different models such as learning partnerships, portfolio level evaluations, intervention specific evaluations etc.



Annex 1. Terms of Reference

BACKGROUND

The Norwegian Ministry of Foreign Affairs has signalled that it wants to improve its approach to portfolio management. The ministry's budget proposal for 2019 states that the government 'will systematise the objectives of the development policy and create a holistic hierarchy of objectives with corresponding results indicators (...) The Ministry of Foreign Affairs aims to improve the link between results-based management and learning, to increase the effectiveness of aid'.

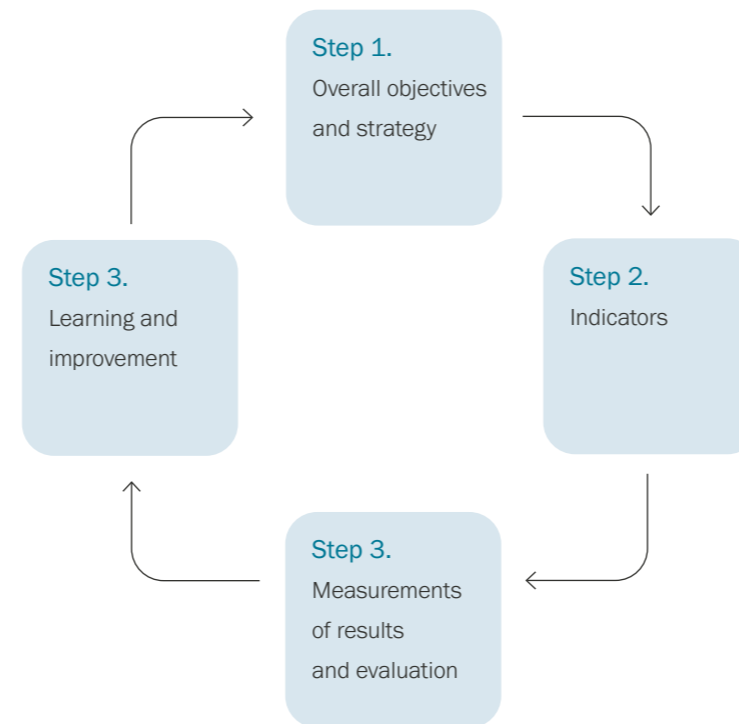
Portfolio management implies that information about performance is actively used to manage the portfolio. If results and evidence (including existing research and evaluations) are used actively to inform choices, including selection of partners and programmes, portfolio management could improve aid.

A portfolio approach is relevant when the aid administration manages a group of grants or programmes in which the whole is meant to constitute more than its individual parts.

Ideally this implies that a portfolio is the management unit for a group of grants contributing to a common set

of objectives, and with a programme logic based on evidence and research.

Portfolio management illustrated through a management wheel:



Previous evaluations of the Norwegian aid administration have demonstrated weaknesses in the use of results to inform and adjust programming. As a follow-up to an evaluation of the Norwegian aid administration's practice of results-based management, the Ministry of

Foreign Affairs responded that they would select 'pilot portfolios' and quality-assure objectives and theories of change for these, to make sure that portfolios have a coherent programme logic that can be used for management and learning within each portfolio. This evaluation aims to feed into this work.

PURPOSE AND OBJECTIVES

The main purpose of this evaluation is to provide the Ministry of Foreign Affairs and Norad with information about strengths and weaknesses of current practices that can be used to improve portfolio management of selected portfolios, but also to provide general lessons for improved portfolio management of Norwegian aid.

The evaluation will assess how selected portfolios are operationalised to achieve the intended objectives and suggest areas for improvement. The objectives of the evaluation are to:

1. *Identify the portfolios' theories of change and assess whether they are logically coherent and evidence-based* (research and evaluations), and assess whether the chosen activities/partners and outputs of the portfolio are likely to contribute to efficient aid and are consistent with the theory of change.



2. *Assess whether the portfolios' governance structures support* effective and efficient aid management and implementation, and whether existing structures increase the likelihood that the portfolios' objectives will be achieved in an efficient manner.
3. *Assess whether the portfolios are set up for learning and management for results.* Of particular interest is whether there is a plan to collect evidence that is relevant, credible and timely, and that may be used for planning, the awarding of grants, follow-up and changing course.
4. *Suggest how the portfolios' theories of change, governance structure and results management can be improved.* The findings and areas for improvement should be translated into recommendations to the Ministry of Foreign Affairs and Norad.

The evaluation should be a tool for practical lessons and learning within each portfolio and may feed into the development of new aid-portfolios. The main users of the evaluation will be the Ministry of Foreign Affairs and Norad, more specifically staff working with the selected portfolios, including sections involved in quality assurance. The evaluation may also be used to inform management of other/future portfolios.

EVALUATION OBJECT AND SCOPE

The evaluation object is the portfolio management of the following development portfolios:

1. Tax for development
2. Programme to combat marine litter and micro-plastics

For more information on each portfolio, refer to annex. The evaluation will assess likely relevance, effectiveness and efficiency of the selected portfolios. The scope of the evaluation is limited to the selected portfolios. The evaluation will discuss how management of the portfolios can contribute (or not) to development outcomes, but will not assess whether this is the case in the selected programmes.

The evaluation will only assess the aid administration. The evaluation will not assess whether the implementing partners are effective and efficient.

EVALUATION QUESTIONS

The following evaluation questions will guide the evaluation for each of the selected portfolios:

1. *Relevance:* To what extent is the portfolio's theory of change evidence-based (based on evaluations and research)?
2. *Effectiveness:* To what extent is the approach to portfolio management/governance of the portfolio likely to contribute to achievement of portfolio objectives?
3. *Efficiency:* To what extent is efficiency considered in the selection of partners and projects?
4. *Lessons and recommendations:* What are the main lessons learned and what are the recommendations, both on portfolio management and at sector level for each portfolio?

POSSIBLE APPROACH

The evaluation may include the following research methodologies:

- Desk review of programme documents.
- Literature review of existing evidence (research and evaluations) in the areas of the selected portfolios.



- In-depth interviews with key staff and stakeholders (all interviews should be recorded (subject to informed consent of interviewees) and either transcribed or summarised, and upon request be handed over to the Evaluation Department).

The evaluation team will identify and describe (if present) the portfolios' theories of change. This should be included in the inception report.

The evaluation will assess both the approach to portfolio management and the specific portfolios' theories of change. The selected portfolios are at different stages in the planning cycle, and the assessment of each portfolio will be adapted to this.

The assessment of the selected portfolios will be based on the specific portfolios' theories of change.

The theory of change opens the so-called black box between the development intervention and outcomes, and explains the causal chain between them, including underlying assumptions. The evaluation team will identify a portfolio-specific theory of change (for each selected portfolio) for how selection of partners (including criteria for funding), projects, and use of results and evidence will contribute to the intended objectives.

To investigate the quality of portfolio management, the evaluation team may use the management wheel as a conceptual tool. Thus, the evaluation could investigate whether the portfolio is set up with clear objectives at portfolio level, and with a system for measurement of results including comparison with targets. Finally, the evaluation would investigate the extent to which results information is used for learning and accountability purposes.

CHALLENGES AND LIMITATIONS

The selected portfolios are new, and there may be limited written information on different aspects of the portfolios.

ETHICS

The evaluation process itself should be conducted in an ethical manner. The evaluation shall be carried out according to OECD DAC's evaluation quality standards and criteria, as well as recognised academic and ethical principles for chosen methods.

The evaluation process should show sensitivity and respect to all stakeholders. The evaluation shall be undertaken with integrity and honesty and ensure inclusiveness of views. The rights, dignity and security of participants in the evaluation should

be protected. The anonymity and confidentiality of individual informants should be protected.

The Evaluation Department and the team shall emphasise transparent and open communication with the stakeholders. The team should consult widely with stakeholders pertinent to the assignment.

ORGANISATION OF THE EVALUATION

The evaluation will be managed by the Evaluation Department, Norad. The Evaluation Department is governed under a separate mandate for evaluating the Norwegian aid administration, and reports directly to the secretary generals of the Ministry of Foreign Affairs and the Ministry of Climate and Development.

The evaluation team will report to the Evaluation Department through the team leader. The team leader shall be in charge of all deliveries and will report to the Evaluation Department on the team's progress, including any problems that may jeopardise the assignment. Regular contact between the Evaluation Department, team and stakeholders will assist in discussing any issues arising and ensuring a participatory process. All decisions concerning the interpretation of this Terms of Reference, and all



deliverables are subject to approval by the Evaluation Department.

Stakeholders will be asked to comment on the draft inception report and the draft final report. In addition, experts or other relevant parties may be invited to comment on reports or specific issues during the process. The evaluation team shall take note of all comments received from stakeholders. Where there are significant divergences of views between the evaluation team and stakeholders, this shall be reflected in the final report. Quality assurance shall be provided by the institution delivering the consultancy services prior to submission of all deliverables. Access to archives and statistics will be facilitated by Norad and stakeholders. The team is responsible for all data collection, including archival search.

BUDGET AND DELIVERABLES

The evaluation should not exceed an estimated maximum of 20 weeks (100 days/800 hours), to cover all phases of the evaluation including travel time, debriefing and dissemination to stakeholders. All costs will be specified in the budget.

Deliverables:

- Draft inception report not exceeding 20 pages, excluding annexes.
- Inception report not exceeding 20 pages, excluding annexes.
- Draft report, not exceeding 25,000 words (approx. 40 pages).
- Workshop on draft findings and conclusions to inform recommendations in Oslo.
- Final report not exceeding 25,000 words (approx. 40 pages) excluding summary and annexes.
- Evaluation brief on a topic identified during the evaluation process, not exceeding four pages.

PHASES

The evaluation will be organised into four work phases: (i) inception phase; (ii) data collection and interviews; (iii) analysis and report writing; and (iv) dissemination. The main part of the work will be carried out over the period June–November 2019. Please refer to deadlines in the tender document.



Annex 2: List of Consultations

Name	Position	Organisation
Anette Wilhelmsen	Senior Advisor, Evaluation Department	Norad
Ida Lindkvist	Senior Advisor, Evaluation Department	Norad
Erik Feiring	Senior Advisor, Knowledge Bank	Norad
Torgeir Fyhri	Deputy Director, Section for Grant Management	Ministry of Foreign Affairs
Jon Andreas Karleiv Lomøy	Director	Norad
Ingunn Nakkim	Senior Advisor, Results Management	Norad
Lauren Naville Gisnås	Senior Advisor, Lead for Marine Litter	Norad
Olav Lundstøl	Policy Director, Tax for Development	Norad
Gunnhild Eriksen	Senior Advisor	Ministry of Foreign Affairs
Ingeborg Mork-Knutsen	Senior Advisor	Ministry for Climate and Environment
Silje Fagernes Anonsen	Senior Advisor, Climate, Energy and Environment	Norad
Gunn-Eva Nordheim	Executive, Climate, Energy and Environment	Norad
Silje Rem	Advisor	Norad (Former Ministry for Industry and Fisheries)
Miriam Mekki	Senior Advisor	Norwegian Environment Agency
Bjarne Johan Garden	Director, Knowledge Bank	Norad
Toril-Iren Pedersen	Senior Advisor, Knowledge Bank	Norad



Name	Position	Organisation
Simen Bjørnerud	Senior Advisor (seconded to Norad's Tax for Development team)	Ministry of Finance
Trond Heyerdahl Augdal	Senior Advisor, Knowledge Bank	Norad
Berit Tvete	Deputy Director, Section for Humanitarian Affairs	Ministry of Foreign Affairs
Hege Hertzberg	Deputy Secretary General	Ministry of Foreign Affairs
Torgeir Larsen	Deputy Secretary General	Ministry of Foreign Affairs
Inger Brodal	Assistant Director, Section for Civil Society, NRM and Capital Flows	Norad
Claire Hubert	Assistant Director General, Section for Human Rights, Democracy & Gender Equality	Ministry of Foreign Affairs
Gerd-Hanne Fosen	Education Policy Director	Norad
Solbjørg Sjøveian	Assistant Director	NORHED
Herdis Bjørnevik Svendsen	Section for Health and Education	Norad
Fredrik Aksnes	Programme Director International Relations - Capacity Building Unit	Norwegian Tax Administration
Heidi Savelli-Soderberg	Advisor	UNEP
Lorelou Desjardins	Programme Manager	WWF
Geert Holterman	Portfolio Lead – Tax	Ministry of Foreign Affairs, Netherlands
Julian Wright	Senior Advisor	UK Department for International Development
Timo Voipio	Portfolio Lead – Tax	Ministry of Foreign Affairs, Finland
Pippa Zainoeddin	Portfolio Lead	Bill and Melinda Gates Foundation
Negar Akhavi	Portfolio Lead	Bill and Melinda Gates Foundation



Annex 3: List of Documents and Literature Reviewed

DOCUMENTS:

MFA grant scheme rules. Some of these can be found on:
<https://www.norad.no/tilskudd/sok-stotte/regelverk-for-norads-tilskuddsordninger/>

Norad (2019) Portfolio Management Note and Appendices: AMOR [version 1800463 May 2019]

Norad (2019) Tax for Development Portfolio Strategy 2019–23 [version 06 June 2019]

Norad (2019) Tax for Development Portfolio – Grantee List [August 2019]

Norad (2019) Programme for Marine Litter and Microplastics Portfolio Logic and Strategy [Sept 2019]

Norad (2019) Programme Arrangements for Results Based Management: Programme to Combat Marine Litter and Microplastics [July 2019]

Norad (2019) Overview of Programme for Marine Litter and Microplastics Grants [June 2019]

Norad (2019) Programme for Marine Litter and Microplastics Steering Group Meeting Minutes – first review of Embassy applications [April 2019]

Norad (2019) Programme for Marine Litter and Microplastics Steering Group Meeting Minutes [May 2019]

Norad (2019) Programme for Marine Litter and Microplastics Portfolio Budget 2018–20

Norad (2019) Draft Global Results Framework Programme for Marine Litter and Microplastics [July 2019]

UNEP/EA/Res.7 (January 2018): <https://unemg.org/images/emgdocs/SOMMeetings/2018/EMGSOM24%20INF%20-%208%20Marine%20Litter%20and%20Microplastics.pdf>

LITERATURE

Buffardi, A.L. et al (2019) Monitoring and learning for country-level portfolio decision making and adaptation.

ICAI (2018) DFID's approach to value for money in programme and portfolio management.

Norad (2018) Evaluation of Norwegian Aid Administration's Practice of Results-Based Management (Report 4/2018)

OECD (2017) Results in development cooperation – Provider case study: Sweden, OECD, Paris.

Patrizi, P. et al (2013) Foundation Review: Vol 5:3. Eyes Wide Open: Learning as a Strategy Under Conditions of Complexity and Uncertainty.

Resource Futures (2019) How to engage the private sector to prevent and significantly reduce marine litter – Draft Final Report, Sept 2019.

Davies, R. (2012) Criteria for assessing the evaluability of a theory of change, 5 April. <https://www.mandeco.uk/wp-content/uploads/2012/Evaluability%20of%20TOC%20criteria.pdf>

Simister, N. (2016) INTRAC Paper 10: Summarising Portfolio Change: Results Frameworks at Organisational Level

Vähämäki, J. & Verger, C. (2019) Learning from results based management evaluations and reviews, OECD Development Cooperation working paper 53, March, OECD, Paris.

Zwart, R. (2017) OECD Development Policy Paper No.7: Strengthening the Results Chain: Synthesis of Case Studies of results-based management by providers [Canada, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom and the World Bank].



List of Annexes

- Annex 4. Programme to Combat Marine Litter and Microplastics
Portfolio Recommendations
- Annex 5. Tax for Development Programme Portfolio
Recommendations
- Annex 6. Interview Topic Guides

Annex 4–6 can be found as a separate document together with this report at www.norad.no/evaluation



List of Tables, Figures and Boxes

Tables

Table 1: Portfolio Management Questions Identified by Tax for Development and Marine Litter Grouped into Types of Questions and Evidence Sources	47
Table 2: Proposed Minimum Standards for Portfolio Management Across the Aid Administration	62

Figures

Figure 1: The Five Steps in Portfolio Management	16
Figure 2: Visual Representation of the Marine Litter Theory of Change	24
Figure 3: Visual Representation of the Tax for Development Portfolio's Theory of Change	29
Figure 4: The Five Steps in Portfolio Management (same as Figure 1)	40

Boxes

Box 1: Definition of Key Terms Used in the Evaluation	14
Box 2: How Portfolio Management Relates to Results-Based Management	17
Box 3: Basic Management Principles (from the PFM Regulations)	20
Box 4: Quality Checklist Portfolio ToCs	31
Box 5: Alignment Ratings	32
Box 6: Experiences of Using Standard Indicators Across the Aid Administration and Other Donors	45
Box 7: Different Types of Evidence Support	50



Acronyms and Abbreviations

ATI	Addis Tax Initiative	NORHED	Norwegian Programme for Capacity Development in Higher Education and Research for Development
BMGF	Bill and Melinda Gates Foundation	NICFI	Norway's International Climate and Forest Initiative
CSO	Civil Society Organisation	NTA	Norwegian Tax Authority
DAC	Development Assistance Committee	OECD	Organisation for Economic Co-operation and Development
DFID	Department for International Development	RBM	Results-Based Management
EQ	Evaluation Question	SDG	Sustainable Development Goal
FCAS	Fragile, Conflict-Affected States	Sida	Swedish International Development Cooperation Agency
IMF	International Monetary Fund	SIVSA	Norad Civil Society Section
KII	Key Informant Interview	TFD	Tax for Development
MCE	Ministry of Climate and Environment	ToC	Theory of Change
MDTF	Multi-Donor Trust Fund	ToR	Terms of Reference
MFA	Norwegian Ministry of Foreign Affairs	UK	United Kingdom
MTIF	Ministry of Trade, Industry and Fisheries	UN	United Nations
Norad	Norwegian Agency for Development Cooperation	UNEA	UN Environment Assembly
NEA	Norwegian Environment Agency		
NOK	Norwegian Krone		



All reports are available at our website www.norad.no/evaluation

Former Reports from the Evaluation Department

2020		
1.20 Norwegian Development Assistance to Private Sector Development and Job Creation	11.18 UNGP, Human Rights and Norwegian Development Cooperation Involving Business	4.18 Evaluation of the Norwegian Aid Administration's Practice of Results-Based Management
2019		
1.19 Evaluation of Norway's Multilateral Partnerships Portfolio The World Bank and UN Inter-Agency Trust Funds	10.18 A Trusted Facilitator: An Evaluation of Norwegian Engagement in the Peace Process between the Colombian Government and the FARC, 2010–2016	3.18 Country Evaluation Brief: Haiti
Making Evaluation Work for the achievement of SDG 4.5 Equality and inclusion in education	9.18 Civil society under pressure: Synthesis study of evaluations of Civil Society Organisations' democratisation and human rights work in Southern and Eastern Africa	2.18 Country Evaluation Brief: Ethiopia
2018		
13.18 The Norway-India Partnership Initiative Phase II: Impact Evaluation of Five Interventions	8.18 Evaluation of Norwegian Efforts to Ensure Policy Coherence for Development	1.18 From Donors to Partners? Evaluation of Norwegian Support to Strengthen Civil Society in Developing Countries through Norwegian Civil Society Organisations
12.18 Evaluation of Organisational Aspects of Norwegian Aid Administration	7.18 International tax agreements and domestic resource mobilisation: Norway's treaty network with low-income countries in Africa	2017
	6.18 Country Evaluation Brief: Mali	11.17 Country Evaluation Brief: Myanmar
	5.18 Country Evaluation Brief: Tanzania	10.17 Country Evaluation Brief: Nepal
		9.17 Realising Potential: Evaluation of Norway's Support to Education in Conflict and Crisis through Civil Society Organisations



8.17 Norway's International Climate and Forest Initiative: Lessons learned and recommendations

7.17 Real-time evaluation of Norway's International Climate and Forest Initiative. An evaluation of empowerment of indigenous peoples and forest dependent local communities through support to civil society organisations

6.17 Monolog eller dialog? Evaluering av informasjons- og kommunikasjonsvirksomhet i norsk bistands- og utviklingspolitikk

5.17 Country Evaluation Brief: Palestine

4.17 Country Evaluation Brief: Malawi

3.17 Country Evaluation Brief: Somalia

2.17 How to engage in long-term humanitarian crises – a desk review

1.17 The Quality of Reviews and Decentralised Evaluations in Norwegian Development Cooperation

2016

8.16 Country Evaluation Brief: Mozambique

7.16 Country Evaluation Brief: Afghanistan

6.16 Country Evaluation Brief: South Sudan

5.16 Evaluation of Norway's support for advocacy in the development policy arena

4.16 Striking the Balance: Evaluation of the Planning, Organisation and Management of Norwegian Assistance related to the Syria Regional Crisis

3.16 Real-Time Evaluation of Norway's International Climate and Forest Initiative. Literature review and programme theory

2.16 More than just talk? A Literature Review on Promoting Human Rights through Political Dialogue

1.16 Chasing civil society? Evaluation of Fredskorpset

2015

10.15 Evaluation of Norwegian Support to capacity development

9.15 Evaluation series of NORHED: Evaluability study

8.15 Work in Progress: How the Norwegian Ministry of Foreign Affairs and its Partners See and Do Engagement with Crisis-Affected Populations

7.15 Evaluation of Norwegian Multilateral Support to Basic Education

6.15 Evaluation Series of NORHED Higher Education and Research for Development. Evaluation of the Award Mechanism

5.15 Basis for Decisions to use Results-Based Payments in Norwegian Development Aid

4.15 Experiences with Results-Based Payments in Norwegian Development Aid

3.15 A Baseline Study of Norwegian Development Cooperation within the areas of Environment and Natural Resources Management in Myanmar



2.15 Evaluation of Norway's support to women's rights and gender equality in development cooperation

1.15 Evaluation of the Norwegian Investment Fund for Developing Countries (Norfund)

2014

8.14 Evaluation of Norway's Support to Haiti after the 2010 Earthquake

7.14 Baseline. Impact Evaluation of the Norway India Partnership Initiative Phase II for Maternal and Child Health

6.14 Building Blocks for Peace. An Evaluation of the Training for Peace in Africa Programme

5.14 Evaluation of Norwegian support through and to umbrella and network organisations in civil society

4.14 Evaluation Series of NORHED Higher Education and Research for Development. Theory of Change and Evaluation Methods

3.14 Real-Time Evaluation of Norway's International Climate and Forest Initiative: Synthesising Report 2007-2013

2.14 Unintended Effects in Evaluations of Norwegian Aid

1.14 Can We Demonstrate the Difference that Norwegian Aid Makes? Evaluation of results measurement and how this can be improved

2013

5.13 Real-Time Evaluation of Norway's International Climate and Forest Initiative: Measurement, Reporting and Verification

4.13 Evaluation of Five Humanitarian Programmes of the Norwegian Refugee Council and of the Standby Roster NORCAP

3.13 Evaluation of the Norway India Partnership Initiative for Maternal and Child Health

2.13 Local Perception, Participation and Accountability in Malawi's Health Sector

1.13 A Framework for Analysing Participation in Development

2012

9.12 Evaluation of Norway's Bilateral Agricultural Support to Food Security

8.12 Use of Evaluations in the Norwegian Development Cooperation System

7.12 A Study of Monitoring and Evaluation in Six Norwegian Civil Society Organisations

6.12 Facing the Resource Curse: Norway's Oil for Development Program

5.12 Evaluation: Real-Time Evaluation of Norway's International Climate and Forest Initiative. Lessons Learned from Support to Civil Society Organisations

4.12 Evaluation of the Health Results Innovation Trust Fund

3.12 Evaluation of Norwegian Development Cooperation with Afghanistan 2001-2011



2.12 Hunting for Per Diem. The Uses and Abuses of Travel Compensation in Three Developing Countries

1.12 Mainstreaming disability in the new development paradigm

2011

10.11 Evaluation of Norwegian Health Sector Support to Botswana

9.11 Activity-Based Financial Flows in UN System: A study of Select UN Organisations

8.11 Norway's Trade Related Assistance through Multilateral Organizations: A Synthesis Study

7.11 Evaluation: Evaluation of Norwegian Development Cooperation to Promote Human Rights

6.11 Joint Evaluation of Support to Anti-Corruption Efforts, 2002–2009

5.11 Pawns of Peace. Evaluation of Norwegian peace efforts in Sri Lanka, 1997–2009

4.11 Study: Contextual Choices in Fighting Corruption: Lessons Learned

3.11 Evaluation: Evaluation of the Strategy for Norway's Culture and Sports Cooperation with Countries in the South

2.11 Evaluation: Evaluation of Research on Norwegian Development Assistance

1.11 Evaluation: Results of Development Cooperation through Norwegian NGO's in East Africa

2010

18.10 Evaluation: Real-Time Evaluation of Norway's International Climate and Forest Initiative

17.10 Evaluation: Real-Time Evaluation of Norway's International Climate and Forest Initiative. Country Report: Tanzania

16.10 Evaluation: Real-Time Evaluation of Norway's International Climate and Forest Initiative. Country Report: Indonesia

15.10 Evaluation: Real-Time Evaluation of Norway's International Climate and Forest Initiative. Country Report: Guyana

14.10 Evaluation: Real-Time Evaluation of Norway's International Climate and Forest Initiative. Country Report: Democratic Republic of Congo

13.10 Evaluation: Real-Time Evaluation of Norway's International Climate and Forest Initiative. Country Report: Brasil

12.10 Evaluation: Real-Time Evaluation of Norway's International Climate and Forest Initiative (NICFI)

11.10 Evaluation: Evaluation of the International Organization for Migration and its Efforts to Combat Human Trafficking

10.10 Evaluation: Democracy Support through the United Nations

9.10 Study: Evaluability Study of Partnership Initiatives

8.10 Evaluation: Evaluation of Transparency International



- 7.10 Evaluation: Evaluation of Norwegian Development Cooperation with the Western Balkans
- 6.10 Study: Evaluation of Norwegian Business-related Assistance Uganda Case Study
- 5.10 Study: Evaluation of Norwegian Business-related Assistance Bangladesh Case Study
- 4.10 Study: Evaluation of Norwegian Business-related Assistance South Africa Case Study
- 3.10 Synthesis Main Report: Evaluation of Norwegian Business-related Assistance
- 2.10 Synthesis Study: Support to Legislatures
- 1.10 Evaluation: Evaluation of the Norwegian Centre for Democracy Support 2002–2009



EVALUATION DEPARTMENT



Norwegian Agency for
Development Cooperation

www.norad.no
post-eval@norad.no

Cover photo: Maskot / NTB
ISBN 978-82-8369-016-3
Februar 2020