

Evaluation of Norad's use of knowledge in portfolio management



Annex 5:

Norad's approach to portfolio management

Recent developments in portfolio management within Norad have meant that the steps in portfolio management have evolved slightly from those in the original terms of reference. Below are details on what each step of Norad's approach entails, who does what, and the role that knowledge is expected to play. This is taken from the Norad Guide to Portfolio Management.

Step 0: Map, define and decide on the level of ambition (during portfolio establishment only)

This step is undertaken only when a portfolio is established; it is not part of the annual cycle. It includes delineating the thematic focus for the portfolio and the problems it will focus on, scoping out the room for action and the value of managing the work as a portfolio, and mapping funding flows and management responsibilities across the aid administration. There is an expectation that existing knowledge is consulted and used in framing the problem and scoping the portfolio. This step concludes with a decision note with recommendations for the portfolio and its management. This note is approved by the Norad Director General.

Step 1: Goals and strategy – goals and theory of change

With the broad framing and focus for the portfolio agreed, this step involves clarifying the specific goals of the portfolio and the strategy (theory of change) for achieving them. It is a key design step, and one in which knowledge plays an important role. It is expected that a **problem analysis** will be undertaken and that this should be rooted in existing knowledge and engage with the underlying causes and scope of the problem and with the actors involved. This should in turn inform the portfolio **theory of change**, which, again, should be grounded in the best available knowledge (research, evaluations and experience). The development of the theory of change also includes a partnership analysis, looking at different categories of partners (NGOs, multilaterals, the private sector, etc.) and the various roles that Norad might take to achieve the portfolio goals (funder, convenor, knowledge-broker, etc.) Knowledge reviews are possible inputs at this stage. This step is led by the portfolio coordinator, with support from the Department for Knowledge, including identifying sources, writing parts of the review and providing draft review feedback. The Director General approves the portfolio theory of change.

Step 2: Scheme for monitoring, evaluation and learning (MEL) – plan for results follow-up, evaluation and learning

With the design of the portfolio clear, this step is focused on ensuring that the portfolio has a clear plan for performance monitoring and learning that can support management. This needs to be detailed in a **knowledge plan** that provides details on how insights from ongoing partner reporting can be supplemented and strengthened so as to test assumptions in the theory of change and plug gaps in knowledge. The knowledge plan should be built around **learning questions** and relate to what needs to be answered and when, in order to strategically manage the portfolio. The learning questions should also link to where the knowledge gaps are in the theory of change. For each question, details are needed of what knowledge is required to answer it, how it will be collected, and how it will then be analysed. Portfolios need to set aside appropriate resources to deliver on the knowledge plan. This step is led by the portfolio coordinator, with

support from the Knowledge Management Section, the Section for Grant Management and the results advisors in the relevant section. The Director General approves the knowledge plan.

Step 3: Choose interventions and partners – which combination contributes best to the goals?

With the portfolio design complete, the focus shifts to selecting the most appropriate mix of partners and interventions. The knowledge base gathered through Steps 1 and 2 should inform this selection. Knowledge about the country context will be particularly important at this step. This step is led by the relevant case officer in coordination with the portfolio coordinator and the Section Head.

Step 4: Manage the portfolio – follow-up of interventions and coordination

This step reflects an ongoing set of actions related to managing the implementation of the portfolio. A specific focus should be given to facilitating the flow of information and knowledge, and to coordination between interventions and partners, to capitalise on potential synergies and avoid overlaps. This step is led by the portfolio coordinator.

Step 5: Portfolio analysis – performance reporting, adjustment and learning

This step involves annually stepping back and reviewing the performance of the portfolio to inform learning on how to improve Norwegian aid and decisions on course correction. It is guided by the **Guide to Portfolio Analysis**. The portfolio analysis should cover six issues: (1) an overview of the agreements and finances in the portfolio; (2) an assessment of the performance of individual agreements (and their contribution to the portfolio goals) and the portfolio as a whole; (3) an assessment of impact (this is not annual); (4) a review of changes in the context and knowledge base of the portfolio; (5) a review of the composition and synergies in the portfolio; (6) recommendations for adjustment to the portfolio. Year on year, as implementation progresses and the knowledge base grows, the portfolio should be able to answer higher-order questions about progress against the overall goal, whether assumptions in the theory of change hold, etc. The portfolio coordinator leads the process, with the case officers leading the performance assessments of individual agreements. All information from the portfolio analysis should be uploaded onto P-Dash. The Section Head signs off any adjustments and budget changes.

Annex 6a:

Governance and public finance case study: Emerging findings

Governance and Public Finance Portfolio overview

Approach to the portfolio

Governments play an indisputable role and bear the responsibility for achieving sustainability and climate targets. However, their ability to lead and enact crucial changes is hindered by factors such as inadequate funding, limited capacity, and occasional reluctance for systemic transformations. These challenges impede their capacity to effectively drive the essential shifts required to accomplish global common goals. Against this backdrop, the Governance and Public Finance Portfolio was developed to foster interaction between public and non-public actors around policy development and other framework conditions.¹ The portfolio embraces a whole-of-government approach centred around public finance and financial integrity, emphasising the importance of increased accountability and transparency in the citizen–state social contract.² To enhance the funding of core government functions, the portfolio focuses on building alliances with other sectors and partnerships with donors and non-traditional development partners.³

The primary objective of the portfolio is to enhance public revenues and capacity in selected countries, fostering better management of public funds with an emphasis on promoting nationally owned and driven development in accordance with the Sustainable Development Goals (SDGs) and national development plans. Notably, the portfolio aligns closely with the targets of SDG 16: Peace, Justice, and Strong Institutions, SDG 17: Global Partnership, and SDG 10: Reduced Inequality.⁴ The subgoals of the portfolio focus on creating framework conditions for reduced inequality and establishing a just green transition.⁵ The three priority areas – information sharing, environmental crime and extractive sector – serve as strategic pillars to achieve these objectives. Within each priority area a comprehensive approach is taken, with a focus on transparency, accountability, predictability, efficiency, and participation.⁶ The integration of global and country-specific perspectives, coupled with regional cooperation in Africa, underscores the portfolio's commitment to addressing international and national interconnections.⁷

Scope of portfolio

The portfolio aims to concentrate on Africa south of the Sahara. Most of the larger agreements in the portfolio are global and also cover countries in Ukraine, Asia and Latin America. In line with this geographical priority, agreements that cover the Americas region specifically have been phased out of the portfolio. The

¹ [English_Endringsteori Styresett og åpenhet kort 30.051.docx](#)

² ToC_Governance and Public Finance mai 2023, p. 1.

³ ToC_Governance and Public Finance mai 2023, p. 1.

⁴ ToC_Governance and Public Finance mai 2023.

⁵ [English_Endringsteori Styresett og åpenhet kort 30.051.docx](#)

⁶ [English_Endringsteori Styresett og åpenhet kort 30.051.docx](#)

⁷ [English_Endringsteori Styresett og åpenhet kort 30.051.docx](#)

concentration on Africa is expected to become more consistent over time as the priority is communicated to partners.⁸

The selection of focus countries, Mozambique and Tanzania, is based on criteria encompassing partner country demand, political will, system change potential, and Norway's existing engagement or presence in-country.⁹ At the global level the portfolio engages in normative and international policy work, with Norad acting as a two-way lever and conduit.¹⁰ Partnerships are forged with multilaterals, other bilateral donors, and 'non-traditional development partners'¹¹ chosen for their political and institutional knowledge, positioning, and extensive networks – crucial attributes in navigating highly political arenas.¹² The portfolio is strategically structured around three main themes: digitalisation of the public sector, tackling environmental crime, and addressing issues within the extractive sector. These areas are identified for their transformative potential, addressing revenue leakages through corruption and other criminal activities, and contributing significantly to the economies of commodity-dependent countries.¹³

Scale of portfolio

In 2023 the portfolio operated with a total budget of NOK 416 million, encompassing 39 agreements with 32 partners. The budget allocation featured two primary posts, with the Knowledge Bank accounting for 161.73 and Civil Society for 170.70.¹⁴

Notably, the majority of agreement partners, constituting 62% of budget allocation, were multilateral institutions, with the largest being the United Nations Development Programme (UNDP), the United Nations Office on Drugs and Crime (UNODC). Others included UNCAC, the World Bank, the OECD and UNDESA, UNU-WIDER, the World Customs Organisation and the International Monetary Fund (IMF).¹⁵

Additionally, 26% of the budget was allocated to non-government organisation (NGO) partners. Important partners include: the International Institute for Sustainable Development Intergovernmental Forum (tax, mining, climate), the International Centre for Asset Recovery (ICAR) (anti-corruption), Support for Open Ownership, Open Contracting Partnership (financial integrity), and civil society partners in the UNCAC coalition.¹⁶

Furthermore, 12% of the budget was allocated to partnerships which were facilitated through the Knowledge Bank, focusing on collaboration with the Norwegian public sector institutions and counterparts in developing countries in areas where Norway has relevant expertise and experience.¹⁷

Research and technical support were extended through partnership with both public and NGO think tanks, including the European Union (EU) Tax Observatory (in collaboration with NMBU/Skatteforsk), the International Centre for Tax and Development (ICTD) and UNU-WIDER.¹⁸

⁸ Governance and Public Finance Portfolio Review 2023.

⁹ ToC_Governance and Public Finance mai 2023.

¹⁰ ToC_Governance and Public Finance mai 2023.

¹¹ ToC_Governance and Public Finance mai 2023.

¹² ToC_Governance and Public Finance mai 2023.

¹³ CMI to Norad-SGT on ToC + Knowledge gaps + Factual issues 2022.

¹⁴ Governance and Public Finance Portfolio Review 2023.

¹⁵ Governance and Public Finance Portfolio Review 2023.

¹⁶ Governance and Public Finance Portfolio Review 2023.

¹⁷ Governance and Public Finance Portfolio Review 2023.

¹⁸ Governance and Public Finance Portfolio Review 2023.

Portfolio strategic aims/goals

There are five main outcome areas for the portfolio:¹⁹

1. Countries have improved domestic resource mobilisation.
2. Countries have improved public financial management.
3. Countries have improved capacity to produce and use statistics for policy.
4. There are strengthened country systems to tackle and prevent corruption and illicit financial flows (IFF).
5. There are global standards for financial adapted to developing countries' needs and capacities.

Portfolio structure

The portfolio is situated within the Section for Governance and Transparency,²⁰ yet its impact extends beyond its immediate domain, having relevance across other sections/departments, including the Knowledge Bank's capacity development programmes for the public sector, the human rights and democratisation section/portfolio (transparency, accountability, citizen–state/social contract), and cooperation with the section for private sector development (public–private partnerships/financing, environmental standards) and the Section for Innovation (digital public goods). These all overlap variously with portfolios on forests, oceans, food security, and climate change adaptation.²¹

EQ1: To what extent and how is knowledge being used in Norad's management of the Governance and Public Finance Portfolio?

1.1 To what extent and how is knowledge used to map, define and decide the level of ambition of the Governance and Public Finance Portfolio?

The Governance and Public Finance Portfolio is mapped directly onto the Section for Governance and Transparency, and took its initial boundaries from the section's existing work. To shape the portfolio's problem statement and level of ambition, section staff drew on two main types of knowledge – their professional knowledge and experience, and research evidence from think tank/research institution partners. The portfolio was built around the established and successful Tax for Development programme. The team chose to bring in other thematic areas from the section's other teams – public financial management and anti-corruption – and bring these areas together in a more interlinked and coherent way.²² This conclusion was reached through an inclusive, participatory process involving the whole team.²³ Team members' previous experience of thinking across their programmes in a holistic way translated well to the portfolio development process and was valued by portfolio leadership. For instance, the anti-corruption team had already formulated their work as a portfolio. They were able to bring this holistic picture of their sector to

¹⁹ ToC_Governance and Public Finance mai 2023; Governance and Public Finance Portfolio Review 2023.

²⁰ [CMI to Norad-SGT on ToC + Knowledge gaps + Factual issues \(20.10.2022x\).docx](#)

²¹ Knowledge plan for Portfolio Governance and public finance; CMI to Norad-SGT on ToC + Knowledge gaps + Factual issues (20.10.2022).

²² N001, N005.

²³ N001, N002, N004, N005, N006.

bear on the wider portfolio.²⁴ They also drew on well-established relationships with knowledge partners, reaching out informally to their networks for additional evidence where needed.²⁵

1.2 To what extent and how is knowledge used in the initial development of the Governance and Public Finance Portfolio goals and theory of change?

The Governance and Public Finance theory of change is a helpful first iteration of the portfolio's ambition, although some gaps persist in articulating the theory or logic that connects partners and what Norad/Ministry of Foreign Affairs does with their intended results. The portfolio team has developed a theory of change. It outlines the main intended outcomes – four thematic areas operating at country level and a fifth at global level. It assumes a linear path from inputs to outputs to outcomes to long-term outcomes to impact (although it is clear from the problem statement that the team fully understands the complexity of governance contexts). The current document does not explicitly articulate assumptions, or the logic of interventions chosen and their theory about how they might work in different contexts. This has led to a relatively broad and high-level theory of change; this is acknowledged by the team, and consideration has been given to how it could be made more specific over time.²⁶

The theory of change development process has been useful in unifying the portfolio team and identifying links between different areas of their work. This has helped the team see synergies between areas and work in a more joined-up way. They have found that the theory of change development process brings the team together and gets them to recognise interlinkages between objectives and workstreams.²⁷ For instance, the anti-corruption team have identified commonalities with the Tax for Development work which they hope would benefit them both.²⁸

The team drew on a relatively diverse knowledge base to develop the portfolio theory of change, including professional knowledge and experience and research evidence, with some targeted support from external consultants. Developing the goals and theory of change was part of the same participatory team process used to establish the portfolio. They produced a two-pager and a visual theory of change at the end of this.²⁹ The portfolio team chose to work with external consultants from the Chr. Michelsen Institute (CMI), to review their knowledge base and challenge and/or substantiate their initial theory of change ideas. The knowledge base drew on robust professional knowledge and on research and grey literature. The teams also tapped into the expertise and knowledge of their partners.³⁰

The knowledge base lacked evidence from global South sources and a comprehensive analysis of results or reporting from current portfolio projects. Much of the literature cited in the knowledge base was produced in the global North, reflecting a wider bias in the system. The exception is larger capacity partners, for example UNU-WIDER, who conduct research in collaborations with researchers and public sector institutions in the global South, which is accessible to the portfolio. The team did not have capacity to formally review any monitoring or results data from projects. However, prior to the development of P-Dash, the team did create their own system of summarising results from 2022 partner reports on some selected themes,

²⁴ N004, N006.

²⁵ N002, N004, N006.

²⁶ ToC Governance and Public Finance May 2023; N001, N002, N005; validation workshop notes.

²⁷ ToC Governance and Public Finance May 2023; N001, N002, N005.

²⁸ N004, N006.

²⁹ N001, N002.

³⁰ N011, N013, N014, N015; validation workshop notes.

which they recorded on OneNote. They are still considering how best to capture and summarise information as part of the portfolio analysis, in addition to the use of P-Dash.³¹

1.3 To what extent are high-quality knowledge plans in place that address knowledge gaps and support Governance and Public Finance Portfolio decision making and learning?

Although there is a knowledge plan in place, it is not yet complete or comprehensive enough to act as a useful tool for portfolio management. As a result, the knowledge plan is not widely owned or used by the team. The team has set up a knowledge plan, which covers a five-year period and contains relevant sections with some knowledge needs and questions listed: “Monitoring progress and results”, “Identifying and Closing knowledge gaps” and “Future Direction of the Portfolio”.³² It lacks specific questions, and has minimal detail on how portfolio results will be captured.³³ As a result, the team continues to rely largely on their section workplan. Only the Section Head appears to use the knowledge plan regularly as a reference point and found it useful in structuring the portfolio analysis.³⁴

The knowledge plan lacks detail on assessing portfolio progress. This is a gap that the team recognises and is working to address. At present, the team is considering developing theories of change for selected countries based on evidence at country level against each of the portfolio outcomes. They have not yet implemented any part of this thinking.³⁵

The gaps in the knowledge plan come largely from a lack of clarity about its intended purpose and a lack of guidance about best practice in using knowledge plans as a management tool. The team also lacked resources to invest in developing the plan fully. The team would have liked clearer and more consistent guidance and templates and some constructive feedback on their efforts, which they did not receive. They would have valued this especially from Norad’s senior leadership, who have driven the reform agenda. The team did not have sufficient time or resource to invest in making the plan a working tool, in particular for external support to investigate priority knowledge gaps.³⁶

1.4 To what extent and how is knowledge used in decisions on which grants and interventions best contribute to the Governance and Public Finance Portfolio goals and theory of change?

The portfolio’s ability to use knowledge to make decisions about grants and interventions is constrained by the limited number of partners operating in the governance and public financial management space, the long-standing partnerships the portfolio has in place, and the fact that a large portion of funding is through multilateral partners, of which Norad is one of many funders. The portfolio is, however, using the goals and theory of change to reflect on the strategic direction they want to take with partners such as IMF and UNDP, and to discuss this with them. The portfolio faces some complexity in using knowledge to prioritise and select partners. They work in an arena where there are few major partners,

³¹ CMI to Norad–SGT on ToC + Knowledge gaps + Factual issues (20.10.2022); N001, N002, N004, N006.

³² Knowledge plan for Portfolio Governance and public finance.

³³ Knowledge plan for Portfolio Governance and public finance.

³⁴ N001, N002, N005.

³⁵ N001, N005.

³⁶ N001, N002, N005; validation workshop notes.

most of whom they already have long-established working relationships with. Therefore, using knowledge in portfolio management is equally as important in selecting partners and interventions as it is in optimising collaborations with existing ones.³⁷ They are, however, making efforts to use the portfolio goals and theory of change to bring more structure and a more holistic approach to their decision making. They have identified new strategic questions to take to partners, new areas of alignment with other donors, and new commonalities across their work with civil society. Specific examples include using the theory of change to enter into new dialogue with UNDP, the World Bank and IMF – all key players within the Governance and Public Finance ecosystem.³⁸

1.5 To what extent and how is knowledge used in the ongoing management of grants and other interventions, and coordination between them, to achieve portfolio objectives?

The team has convened partners as part of its ongoing management of the portfolio, and has used this to gather evidence and coordinate partners' work, e.g. the March 2023 workshop bringing together civil society partners working in the Tax for Development, anti-corruption and environmental crime sectors. The team has used the 2023 review to start gathering evidence from partners and programmes, both through reporting and dialogue, to inform them about which interventions are working and how. This included convening specific partner events, used both to gather feedback from partners and to facilitate links between them.³⁹ They also used external research partners to address some knowledge gaps.⁴⁰

Internal portfolio team coordination has improved as a result of engaging with processes such as the portfolio review, and has the potential to improve overall management of grants and interventions. Undertaking the portfolio management processes themselves has been useful in drawing the internal team together. Team members were clear that knowledge sharing and coordination had improved as a result.⁴¹ Involving the whole team in the process has given them opportunities to work together more closely, to understand other workstreams better, and to identify areas of overlap and synergy. One example of this is identifying areas where anti-corruption could align with tax work to open up new funding sources and opportunities.⁴²

1.6 To what extent and how is the Governance and Public Finance Portfolio analysis process contributing to portfolio learning, management and adaptations?

At this early stage of introducing portfolios, the team has completed one portfolio analysis. Through it, they confirmed three strategic areas of focus, and some potential areas of the theory of change to amend. The team focused the portfolio analysis on reviewing the evidence base that underpins their current focus on extractives, environment crime and information. This process facilitated information sharing and critical debate, encouraging team members to sharpen their arguments.⁴³ They also identified some gaps in their theory of change through this process: inequality, links to other portfolios, emerging sectoral/thematic

³⁷ N002, N005.

³⁸ N005.

³⁹ Governance and Public Finance Portfolio Review 2023.

⁴⁰ Governance and Public Finance Portfolio Review 2023; N002.

⁴¹ N001, N004, N005, N006; validation workshop notes.

⁴² Governance and Public Finance Portfolio Review 2023.

⁴³ Governance and Public Finance Portfolio Review 2023; N001.

work (extractive industries and public finance), and gender equality/women's rights. The team is not yet sure whether/how these fit into the portfolio, but they are considering them as they move forward.⁴⁴ They are also reflecting on where best to spend resources, in terms of further developing their portfolio strategy and key documents.⁴⁵

This portfolio analysis was a demanding process which took time and resources away from other portfolio priorities. The team did not include a full review of results in their portfolio analysis. Lack of time and resources were significant constraints. The team were not able to conduct a review of results, which should be part of the process. This was a significant concern for them. They have not yet been able to fully develop an approach to monitoring progress across the portfolio. They are exploring the idea for collecting data at country level for the four thematic outcomes and conducting a dedicated evaluation for their global-level work.⁴⁶

From an initial review of the partner assessments on P-Dash, the portfolio has variable results data across its agreements. This may pose challenges to providing a meaningful synthesis of portfolio progress. The team has found it challenging to aggregate their results, since governance and public finance are issues that are so context-dependent, and interventions vary accordingly. P-Dash is still in the early stages of development, and it will take time to assemble the data needed for meaningful portfolio-level analysis. This is an area where the team would appreciate more support and guidance.⁴⁷

EQ2: To what extent and how are Norad's portfolio set-up and practices and the wider environment conducive to the use of knowledge in management of the Governance and Public Finance Portfolio?

2.1 To what extent and how is the Governance and Public Finance Portfolio's composition, resourcing – including staffing – and governance conducive to the use of knowledge in portfolio management?

The Governance and Public Finance Portfolio has made good progress in establishing portfolio management structures. The nature of its partnerships and the portfolio leadership are important enabling factors. The portfolio leadership – the Head of Section and the Portfolio Coordinator – have played a central role in enabling the Governance and Public Finance Portfolio to take shape. Engaged, effective leadership is emerging as a key factor in establishing and driving management processes within the portfolio. It was essential to have clear direction and support from the portfolio leadership, both to steer the team through demanding new processes and to safeguard team time to engage with the changes.⁴⁸ Team members felt the process had been well led and felt that they had progressed further as a portfolio than some others within Norad as a result.⁴⁹ 60% of the portfolios' partners are multilaterals, with a high capacity to produce and communicate evidence from their interventions.⁵⁰ The team also has long-established research

⁴⁴ Governance and Public Finance Portfolio Review 2023; validation workshop notes.

⁴⁵ Governance and Public Finance Portfolio Review 2023.

⁴⁶ N001, N002, N005.

⁴⁷ Validation workshop notes.

⁴⁸ N001, N002.

⁴⁹ N004, N006.

⁵⁰ Governance and Public Finance Portfolio Review 2023; N001, N002, N003, N005.

partnerships with a range of institutions. They therefore have good knowledge of relevant thematic areas, and have trusted people to refer to when they need to clarify issues or gain new information.⁵¹

Lack of resourcing has constrained the use of knowledge in managing the portfolio, as have its multiple budget lines. The team frequently raised lack of resourcing as a barrier to more effective implementation of portfolio management tools. This has affected their ability to absorb and implement changes. Working with different budget lines complicates and constrains their ability to move resources freely between different areas of their work on the basis of knowledge.⁵² Reduced budget for consultancy has also constrained their ability to use this to address knowledge gaps.⁵³

2.2 To what extent and how are portfolio management processes conducive to the use of knowledge in portfolio management?

The theory of change development, portfolio review and analysis processes have supported the team in their use of knowledge. For example, the process has helped them identify some knowledge priorities, such as the need for more statistics input across all thematic areas. The team reported finding the processes themselves more useful than the products, because the collaboration involved built ownership and connection across the team.⁵⁴

Although the processes have been productive for the portfolio, the key documents produced are not yet fully developed working tools for management. More guidance is needed in this area. As discussed above in 1.2 and 1.3, the theory of change and knowledge plan need further development in order to contribute effectively to ongoing management processes.⁵⁵ Clearer standards and examples of good practice would have been useful in shaping the process, because both the portfolio teams and the Knowledge Department were effectively learning by doing when implementing the changes.⁵⁶

2.3 To what extent are Norad staff and knowledge management conducive to the use of knowledge in portfolio management?

The Knowledge Department and Change Hub roles in the portfolio development process have become clearer over time, but were initially not well understood by the portfolio team. Team expectations of the Knowledge Department and Change Hub roles were not well aligned with their actual contributions at the start of the portfolio process. They wanted more support – guidance and feedback on the theory of change and knowledge plan, and support with addressing evidence gaps – but have since received it. They feel it is now easier to involve the Knowledge Department in the process.⁵⁷

The Knowledge Department did not have a clear set of responsibilities within the change process, which explains the lack of clarity in the portfolio team's understanding of their role. The Knowledge Department, although leading and advising the switch to using knowledge in portfolio management, was developing its own

⁵¹ N001, N002, N005.

⁵² N001, N002, N004, N005, N006.

⁵³ Validation workshop notes.

⁵⁴ N005.

⁵⁵ N005.

⁵⁶ N001, N005, N007.

⁵⁷ N002, N005; validation workshop notes.

understanding of best practice in parallel with the portfolio teams. They see this year as an opportunity to review each portfolio's progress and support them with next steps.⁵⁸

The team would have appreciated more feedback from Norad leadership driving the change process to clarify expectations on how knowledge use was intended to feed into portfolio development. This is a top-down change process, and it would benefit from more quality assurance-type feedback from the Portfolio Council. The team feels this would give more clarity, and reassurance that they are on the right path.⁵⁹

2.4 To what extent and how is the Governance and Public Finance Portfolio team cultures conducive to the use of knowledge in portfolio management?

The portfolio team has a research-oriented, questioning culture and team members with experience in its sectors and geographies. This is a vital source of knowledge to feed into portfolio decision making. This is a team that takes pride in knowing its partners and their operating contexts, with a clear interest in pursuing ongoing research and learning. They have well-developed partnerships with a range of research institutions, and a readiness to learn from them. They had experience of looking holistically at their agreements and interventions. Examples include the Tax for Development and anti-corruption teams, who had previously approached their work in a portfolio-type way. They had previously worked with learning partners in their Tax for Development programme and had brought together complementary programmes.⁶⁰

2.5 To what extent and how are the approaches to M&E of Norad and its partners conducive to the use of knowledge in portfolio management?

The portfolio team has established ways to engage with partners and values their feedback and knowledge products. They are still unsure how to use the MEL data they gather to measure progress against their theory of change. The portfolio has used partner knowledge and feedback to help identify gaps in their thinking and portfolio theory (e.g. gender equality/women's rights), and have altered their core documents (theory of change and knowledge plan) as a result.⁶¹ They see Norad's approach to partnership as a challenge in setting up systems for measuring progress – they do not believe that using common indicators with all partners, for example, is an appropriate approach.⁶² Instead, they are exploring how to use country-level evaluations or case studies across their results areas to measure progress.⁶³ The team would like to see more organisation-level support for portfolio results measurement.⁶⁴

2.6 To what extent and how are partners' capacity to generate and report meaningful results information conducive to the use of knowledge in portfolio management?

The portfolio has a high proportion of multilateral and INGO or large NGOs among its partners. These organisations have good capacity to produce, interpret and use evidence. This means they have good

⁵⁸ N007.

⁵⁹ Validation workshop notes.

⁶⁰ N001, N002, N004, N005, N006, N007.

⁶¹ Governance and Public Finance Portfolio Review 2023; N002, N004.

⁶² N001, N002, N005.

⁶³ N002.

⁶⁴ N002, N005.

potential to contribute results data to the portfolio's knowledge base, once the portfolio has decided what kind of results data it wants to collect.

The portfolio has good links with a range of research organisations and think tanks, whose evidence they can draw on for guidance, etc.⁶⁵ Some of their key partners, particularly large multilaterals, have dedicated MEL and knowledge production departments, and therefore have good capacity to contribute useful knowledge to the portfolio management process.⁶⁶

Early evidence for EQ3: To what extent and how is the use of knowledge in current management of the Governance and Public Finance Portfolio likely to result in improved results?

The portfolio has made some early progress in identifying synergies and overlaps between partners. They are starting to put measures in place in response. The team has found that the portfolio development process has made the search for synergies more explicit, and evidence based. The team has had more opportunities to gather together and figure out how to make the portfolio more than the sum of its parts. For example, reviewing the existing work and knowledge base made clear a need to integrate more statistics work into their Tax for Development programme.

They have also used the portfolio process to engage differently and more strategically with partners. They have seen some clear changes in multilateral partners after they asked for more work around revenues and expenditures. This has come from the portfolio starting to raise the profile of inequality issues in their work.

⁶⁵ Governance and Public Finance Portfolio Review 2023; N002.

⁶⁶ N003.

Annex 6b:

Food security case study

Portfolio overview

Approach to the portfolio

Support to food security has a long history as a major component in Norwegian aid, primarily through various interventions to support agricultural and rural development. Priorities, channels, and partners have evolved and shifted over the years. Support to climate-smart agriculture has emerged as an important component since the first decade of the 21st century. Support to fisheries has also reemerged as a priority, as has support for research and higher education in this sector.

The new Labour Party/Centre Party government coalition, which was formed after the 2021 election, made support for food security a main priority.⁶⁷ This led to the development of a major food security strategy, published in late 2022.⁶⁸ Major additional funds for this purpose were allocated in the government's aid budget in 2023. The war in Ukraine led to additional allocations targeted at mitigating the consequences of the increased prices of fertiliser, seeds, and fuel for vulnerable countries in Africa.

Support to food security has been managed in different ways over the years. Following the 2021 reorganisation within Norad, the bulk of Norad's support is managed through the Section for Food, with additional support managed from several other sections, such as the support to fisheries. The Ministry of Foreign Affairs manages the humanitarian aid and embassies manage some country interventions.

In late 2022, Norad approved the establishment of the Food Security Portfolio, to be managed by its Section of Food. The early development of the Food Security Portfolio was done in parallel with the Ministry of Foreign Affairs' development of the strategy *Combining Forces Against Hunger* and took its main objectives from that document. The main goal was to reduce hunger through increasing sustainable and climate-resilient production and consumption of healthy and nutritious food. The portfolio aligns closely with SDG 2: Zero hunger. The subgoals of the portfolio are increasing local, climate-resilient food production, increasing local value chain creation and income for food producers, reducing malnutrition and undernutrition, and reducing the scale of hunger crises.⁶⁹

The emerging Food Security Portfolio has a primary geographic focus on Sub-Saharan Africa, based on the geographic priorities in the Ministry of Foreign Affairs' strategy.⁷⁰ In the draft theory of change, this focus is justified by the fact that although 53% of the population in Sub-Saharan Africa works in the agriculture sector, productivity is very low in the region due to a lack of technology, innovation, knowledge, capital, and

⁶⁷ See the section on development policy in the 2021 Government Platform: Hurdalsplattformen for en regjering utgått fra Arbeiderpartiet og Senterpartiet 2021 – 2025 (<https://www.regjeringen.no/no/dokumenter/hurdalsplattformen/id2877252/>)

⁶⁸ See Ministry of Foreign Affairs (2022) Combining forces against hunger – a policy to improve food self-sufficiency: Norway's strategy for promoting food security in development policy (<https://www.regjeringen.no/en/dokumenter/Food-security-strategy/id2948780/ttps://www.regjeringen.no/en/dokumenter/Food-security-strategy/id2948780/>)

⁶⁹ Draft Food Security TOC 2023, p. 1.

⁷⁰ See Ministry of Foreign Affairs (2022) Combining forces against hunger – a policy to improve food self-sufficiency: Norway's strategy for promoting food security in development policy (<https://www.regjeringen.no/en/dokumenter/Food-security-strategy/id2948780/ttps://www.regjeringen.no/en/dokumenter/Food-security-strategy/id2948780/>)

appropriate policies and regulation. The draft theory of change is therefore built on the assumption that African food production will play a key role in future food security and regional growth.⁷¹

Additionally, there is a new programme called “Agriculture for development” (AfD), developed separately and in parallel to the portfolio. This programme was formally established by the Ministry of Foreign Affairs in 2023. The Secretariat sits within Norad’s Food section. The programme is similar to many of the other programmes that are part of the “Knowledge Bank”.⁷² There is a formal two-page document (approved by the Ministry of Foreign Affairs) which outlines the programme, its objectives and priorities (and behind that, there is an extensive programme document developed by Norad for the Ministry of Foreign Affairs).⁷³

Like the other programmes under the “Knowledge Bank” umbrella, the purpose of Agriculture for development is to enable Norwegian public sector institutions to use knowledge and their expertise to strengthen public sector institutions in developing countries. The targeted countries are those identified in the food strategy. The programme is also intended to play a role in facilitating and strengthening Norwegian bilateral aid to food security in selected countries. A similar programme is in place for “Fish for Development”, managed by the Section for Oceans.

In contrast with many of the other knowledge programmes, Agriculture for development also includes relevant institutions outside the public sector, such as civil society organisations. The 2023 call for proposals therefore included support to cooperatives and farmers’ organisations which contributed to the objectives of the programme. NOK 200 million per year over five years was made available for this. Two of the five grants, dealing with farmers’ organisations, will be managed as part of the programme’s. The programme’s budget for engaging Norwegian public sector institutions may be less than NOK 50 million in 2024 (three public sector institutions are involved here).

Scale of the portfolio

The majority of Norway’s food security initiatives and projects in developing countries are managed by Norad’s Section for Food. In 2022, the section managed grants totalling about NOK 1.5 billion (this compares to about NOK 413 million disbursed from the other case study – the financial governance and transparency section). The amount is disbursed through numerous agreements to over 30 agreement partners, of which 10 are multilateral, seven are Norwegian NGOs, eight are international, northern, and local NGOs and three are Norwegian public sector institutions.⁷⁴

The disbursements increased dramatically in 2023 following the Norwegian government’s new budget allocations to food security. In February 2023, Parliament further increased the allocation to food security by an additional NOK 1.5 billion to compensate African countries for the added costs of food and agricultural input prices as a consequence of the Ukraine war. This nearly doubled the budget managed by Norad’s food section. By mid-2023 NOK 1 billion was disbursed to multilateral partners – the World Food Programme (WFP), CGIAR, FAO, IFAD and the World Bank – through new agreements with them. NOK 500 million was disbursed to six NGOs, based on a call for proposals; three of these were new partners. In addition, three calls for proposals were launched in the course of 2023, with implementation from early 2024.

⁷¹ Draft Food Security TOC n.d. (2023) p. 1.

⁷² See <https://www.norad.no/en/front/the-knowledge-bank/>

⁷³ NO41, NO43.

⁷⁴ This is derived from Norad 2022 statistics on disbursements of aid as reported to OECD-DAC.

Portfolio strategic aims and goals

The draft portfolio documents identify four pathways to its overarching goal of achieving food security and reducing hunger:⁷⁵

1. Increased local, climate-resilient food production through improved productivity, including reduced production loss, for small-scale food producers.
2. Increased local value creation and income for food producers through well-functioning local value chains and markets that strengthen the position of small-scale food producers in the value chain and accommodate small and medium-sized enterprises.
3. Reduced malnutrition and undernutrition through improved access to healthy, varied and safe food.
4. Reduced scale of hunger crises through resilience building, preventive action and rapid, integrated response efforts.

Portfolio structure

The portfolio is managed by the Food Section. The development of the Food Security Portfolio began in early 2023. The portfolio is still in a very preliminary phase, which will be detailed in the findings below. There is one main theory of change for food security, and five sub-theories of change (two-pagers) on agricultural value chains, nutrition, food crisis prevention, and safety nets related to food security.⁷⁶

There are also significant food security projects managed by the Ministry of Foreign Affairs (humanitarian aid/World Food Programme) and the embassies (some funds from the food security budget post, but most from the regional budget chapter post). The full implications of the move of humanitarian and related budget posts from the Ministry of Foreign Affairs to Norad is not known. This will take place from mid-2024. It will lead to the establishment of a new Norad department managing humanitarian/stabilisation (nexus) issues. This department will manage food-security development assistance in humanitarian contexts. The new department is also expected to have grant management responsibilities related to some of the bigger NGOs. Some of them will have food security as one of their intervention areas. Core funding to WFP and multilateral food organisations may stay with the Ministry of Foreign Affairs.

There are also several projects managed by other Norad sections and which are expected to fall under the Food Security Portfolio. This includes especially the Section for Oceans, which manages support to fisheries, a priority area in the government's food security strategy (fish is also a main focus in Ghana – one of the prioritised countries for food security in the government strategy), Section for Forestry and Section for Nature and Climate (these sections all belong to the same department). There are related projects managed by sections in other departments, such as the Section for Higher Education and Research.

Relations with the Ministry of Foreign Affairs (the Regional Special Envoy on Food Security and the food security team) are reported to be good. The Ministry of Foreign Affairs has a different approach to portfolio management, with portfolios being defined by budget chapter posts. This does not necessarily correspond to Norad's thematic approach to portfolio management. A main focus of the Ministry of Foreign Affairs' food

⁷⁵ Draft Food Security TOC (2023).

⁷⁶ Draft Food Security Portfolio TOC (2023); Draft Food Crises Prevention TOC (2023); Draft Nutrition TOC (2023); Draft Small Scale Producers TOC (2023); Draft Social Safety Nets TOC (2023); Draft Value Chains TOC (2023).

team is to report to Parliament on results on the budget priorities and to provide policy guidance and directives to Norad. Another team in the Ministry of Foreign Affairs has responsibility for the aquatic component.

The staff interviewed showed different levels of familiarity with, and commitment to, the evolving portfolio process. All interviewed were in favour of a portfolio approach and the need to move further away from a siloed way of working. Several also argued that the food section itself has a long history of thinking holistically in managing support to food security and agricultural development.

Despite limited progress in developing the basic documents, which are still drafts (for reasons that will be discussed below), the new portfolio approach is evident at other levels, including in dialogue with partners and adjustments in their operations.

EQ1: To what extent and how is knowledge being used in Norad's management of the Food Security Portfolio?

The Food Security Portfolio is in its early stage of development and has not made much progress in developing the basic documents (theories of change, knowledge plan, actor analysis) since mid-2023.

The team is trying to accelerate this process, aiming to have key documents in place by mid-2024. The team developed provisional and early drafts of the key portfolio documents in the first half of 2023. There was limited or no progress in developing these documents further, owing to workload from the vastly increased budget, Ministry of Foreign Affairs' priorities for disbursements and a de facto absence of a portfolio coordinator in the second half of 2023. The appointment of a new portfolio coordinator in early 2024 was an important step towards pushing ahead with establishing the portfolio more fully.

1.1 To what extent and how is knowledge used to map, define and decide the level of ambition of the Food Security Portfolio?

The Food Security Portfolio was developed by the Section for Food and partly builds on existing partnerships and multiannual agreements. The decision was derived largely from the priorities in the Ministry of Foreign Affairs' food strategy, combined with the existing knowledge within the section. In developing the portfolio, the team drew on existing knowledge within the section and from other sources. This also includes establishing relations with other main sections, such as Oceans, which manages food security interventions related to aquatic food.

The increased funding in 2023 added a substantial workload to the food security section, because much funding had to be disbursed within a short period of time. According to several interviewees, this has put a major constraint on the ability to further develop the formal portfolio documents. This has caused major delays in developing a portfolio in parallel with the ongoing work in the section, although the strategic objectives in the new food strategy have been underlying every funding decision made.⁷⁷

⁷⁷ NO39, NO40, NO42, NO46; PP presentation to "Rådsmøte om matportefølje", 25 August 2023.

1.2 To what extent and how is knowledge used in the initial development of portfolio goals and the theory of change?

The primary sources for the initial development of the theory of change and sub-theories of change are existing knowledge within the section and the priorities outlined in the Ministry of Foreign Affairs' food strategy. The theory of change development process has been somewhat useful in identifying links between different areas of their work. This has, to some degree, unified their work, helping the team to see synergies between areas and to work in a more joined-up way. However, the interviews also made it clear that this was highly uneven, with several staff members indicating less knowledge of the portfolio process.

1.3 To what extent are high-quality knowledge plans in place that address knowledge gaps and support portfolio decision making and learning?

There is a draft knowledge plan in place, but it is not yet complete or comprehensive enough to act as a useful tool for portfolio management. As a result, the knowledge plan is not widely owned or used by the team. The knowledge plan in place identifies some specific gaps that need to be addressed through the use of internal resources and external consultants. These gaps and knowledge needs are mainly linked to ongoing grant management processes and are funded through the section's regular consultancy budget (about NOK 5 million in 2022).

The knowledge plan lacks any details on tracking progress as assessing results at the portfolio level. P-Dash has not been applied by the food section or the portfolio. Similarly to the theories of change, the knowledge plan developed by the food section is in its preliminary phase. Some thematic, geographic, practical and partnership knowledge gaps have been identified, as well as initial ideas on how to monitor progress and results in these areas. Generally, the knowledge plan has insufficient information on the prioritisation of knowledge gaps, tasks, timelines, responsibilities and links to portfolio goals.

A potentially important source of knowledge is also emerging through dialogue with embassies and the Ministry of Foreign Affairs. The food section works closely with the main embassies, especially Tanzania, Malawi, and Ethiopia, and with the UN delegation in Rome responsible for managing the Norwegian relations with the UN food agencies there (FAO, WFP and IFAD). There is also regular interaction with the food security team in the Ministry of Foreign Affairs. A Ministry of Foreign Affairs-initiated workshop brought ministry and Norad stakeholders together in Nairobi to focus on food security in the prioritised countries and to develop joint portfolios at country level. This has led to a clear emphasis in the section on ensuring good interaction with embassies in planning and implementation at the country level. A national workshop with agreement partners and other key stakeholders has been held with the embassy in Tanzania. There have also been bilateral meetings with partners in cooperation with the embassy in Ethiopia. Strategic discussions are taking place with the embassy in Malawi, including field visits and bilateral meetings with partners and key stakeholders. It is hoped that other focus countries, Mozambique, South Sudan, and Ghana, also will come on board.

In the past, the food section had loosely structured seminars with external knowledge milieus ("fagprat"). These seminars have not taken place during the portfolio process. They were de facto discontinued as a result of the added budget and workload. They will now be reintroduced, with the content more closely related to knowledge gaps identified in the knowledge plan.

1.4 To what extent and how is knowledge used in decisions on which grants and interventions best contribute to the portfolio goals and theory of change?

Knowledge has played an important role in grant management, but this has mainly been in relation to individual grants and less in relation to portfolio goals and the theory of change. The portfolio approach has not yet led to changes in the composition of partners, although gradual changes of focus in some of the existing agreements/partnerships are reported. No partners have been phased out. New calls in 2023 has led to new partners in 2024, especially related to the value chain objective.

Knowledge is derived from existing competence and experience in the section, from the use of other sections in Norad, external resources, and from dialogue with partners and other Ministry of Foreign Affairs and Norad entities. This is illustrated by three major calls for proposals in food security that were made in 2023. They were all linked to the government's food strategy and to political directives and priorities from the Ministry of Foreign Affairs, especially in relation to the two NGO calls, after the Ministry of Foreign Affairs made directives both in relation to channels to be used and specifying criteria for selection. Within that framework, the section made use of internal and external resources to help identify the best grant recipients.

With regard to the NGO call for food security projects in Africa, the section relied on support from the Knowledge Department in assessing the concept notes' description of planned knowledge components as part of shortlisting candidates (from 200 to 12). The Knowledge Department also facilitated incubator workshops for applicants, emphasising the need for NGOs to rely on knowledge and identify and address knowledge gaps. The Food Section made the final decision based on full applications from the shortlisted candidates.

The planned establishment of a new fund, aimed at providing first-loss capital to investment funds focusing on small and medium-sized enterprises in the agri-food value chain, is another example of the use of knowledge. Internal resources and external consultants were used to develop the knowledge base needed to make the decision to move forward with this work. This led to a call for proposals for the design and implementation of this facility. This involved support from Norad's Section for the Private Sector.

1.5 To what extent and how is knowledge used in the ongoing management of grants and other interventions, and coordination between them, to achieve portfolio objectives?

There is no mechanism in place for monitoring of progress and results at the portfolio level. P-Dash is about to be introduced, and this will, potentially, make monitoring at portfolio level easier. Knowledge is currently derived from research partners and staff experience. This is used in assessment of individual grants and formal and informal dialogue with recipients. This dialogue is also used to facilitate and encourage changes in activities and approaches. This has, for example, led to joint projects between two major agreement partners (WFP and CGIAR) and to the sharpening of Norwegian-funded WFP activities. It has included workshop with partners and the embassy in Tanzania to facilitate coordination and cooperation at country level.

According to Norad staff interviewed, these dialogue processes would, in most cases, have happened without the new portfolio approach, but may have been reinforced by both the new government strategy and by the new emphasis on portfolio management.

1.6 To what extent and how is the portfolio analysis process contributing to portfolio learning, management and adaptations?

There has been limited attention at the section/portfolio level, with no portfolio analysis completed. There was also uneven knowledge among staff in the section about the new shifts to portfolio management. Several staff interviewed claimed limited knowledge of what this entails.

EQ2: To what extent and how are Norad's portfolio set-up and practices and the wider environment conducive to the use of knowledge in management of the Food Security Portfolio?

2.1 To what extent and how are the portfolios' composition, resourcing – including staffing – and governance conducive to the use of knowledge in portfolio management?

The Food Security Portfolio has made limited progress in establishing portfolio management structures. Although there is strong commitment from the section leadership, capacity has been insufficient to implement the new portfolio approach. Staff resources have not been sufficient to properly develop the portfolio in parallel with the major 2023 increases in the section's budget.

Increased budget allocations and Ministry of Foreign Affairs' priorities have reduced capacity for knowledge-based portfolio decisions. Norad and its Food Section have been provided with new strong directives and guidelines from the Ministry of Foreign Affairs through appropriation letters, grant scheme rules and formal and informal dialogue. The Section does not make strategic decisions to the degree possible, but they have had less capacity to develop the strategic direction of the portfolio.

The food section has had insufficient resources to operationalise the Ministry of Foreign Affairs' food strategy and to identify the strategic priorities. Staff interviewed expected that this may become easier with the completion of the major scale-up of funding for food security. The section will be in a better position to generate knowledge and to provide strategic input to the Ministry of Foreign Affairs based on portfolio achievements.

Knowledge from partners is an important enabling factor. Partners are mostly well established and generate much knowledge, and often have good capacity to communicate evidence from their interventions and from the long history of managing support to food and agricultural development.

The different approaches to portfolio management in the Ministry of Foreign Affairs and Norad create additional management challenges, as does the weak country focus of Norad's own portfolio management. Grant management of important portfolio interventions sits with several other sections in the Department and in sections in the two other thematic departments and involves several budget chapter posts. There is also limited portfolio interaction at the country level between support through different channels (multilateral, NGOs, embassies).

2.2 To what extent and how are portfolio management processes conducive to the use of knowledge in portfolio management?

There has been limited progress in developing the portfolio, but the emerging portfolio approach has helped stimulate a more holistic approach to the use of knowledge. Knowledge has also been used in several important components. This is especially evident with regard to individual grants such as the recent calls and in dialogue with individual partners.

2.3 To what extent are Norad staff and knowledge management conducive to the use of knowledge in portfolio management?

Staff interviewed mostly welcomed the new commitment to knowledge management, but many expressed concerns of insufficient staff resources for portfolio management. The familiarity and knowledge of the knowledge and portfolio processes were, however, uneven. Some expressed concern about the decentralisation of functions from what is now the Section for Grant Management Systems related to legal and financial advice and result management. Many staff interviewed in the food section found the legal and financial support from the “decentralised” staff in the Department useful, but had made limited use of the person responsible for results management. They found that they had sufficient expertise within the section to deal with that. Some were worried about the long-term implications of dissolving a well-established and competent section. This potentially weakened a historically strong component in institutional knowledge management. They feared negative implications perhaps especially for embassies, since they no longer have a dedicated section to call for help. Others emphasised that the role of the previous section was focused on management of individual grants, and not sufficiently on more holistic and portfolio approaches. Most staff interviewed, however, expressed concerns about the staff capacity, reporting that legal, finance and result management support available from the Department was limited and not sufficient.

2.4 To what extent and how are Norad’s cultures conducive to the use of knowledge in portfolio management?

There is a historical culture for the use of knowledge within the food section, but it has not been sufficiently focused on portfolio management. A wide array of different partners is supported, and many of them have strong competence and ability to generate and communicate knowledge. The use of knowledge within the Section has also been manifested in regular seminars with external resource persons. They have de facto been discontinued over the past couple of years, but will be reestablished and may be more focused on key dimensions in portfolio management such as knowledge plans. Some staff interviewed also stated that the existing internal knowledge in the section has not been sufficiently valued by the Knowledge Department or by Norad management.

2.5 To what extent and how are the approaches to M&E of Norad and its partners conducive to the use of knowledge in portfolio management?

The new M&E approaches have not been much used, but efforts to move to monitoring of progress at portfolio level were generally welcomed. The new tools, expanding on previous iterations and introducing P-Dash (portfolio) and C-Dash (country), were welcomed but so far have not been used in management of the Food Security Portfolio. The new C-Dash has been used to prepare for the strategic discussions and

workshops with the embassies. The challenge with the new P-Dash is to move from mapping of individual projects to portfolio assessments.

Partners have different systems in place for monitoring and communicating results. This varies also between channels for disbursements (multilaterals, NGOs, public sector institutions, etc.). Much useful data is generated, and some actors are able to communicate evidence from their interventions. Through some of the new calls there have been new guidelines for further improving generation of evidence. Norad generally relies on the systems for monitoring and reporting used by the agreement partners.

2.6 To what extent and how are partners' capacity to generate and report meaningful results information conducive to the use of knowledge in portfolio management?

The emerging portfolio has a high proportion of multilateral agencies and big NGOs as its partners. Many of these have good capacity to produce, interpret and use evidence. This means they have good potential to contribute results data to the portfolio's knowledge base, once the portfolio has decided what kind of results data it wants to collect and feed into management.

EQ3: To what extent and how is the use of knowledge in current management of the Food Security Portfolio likely to result in improved results?

The portfolio has made early but limited progress in use of knowledge in current management. At the time of data collection this was evident mainly in management of individual grant agreements and in new calls for proposals. Knowledge from other Norad departments and sections was used in designing new calls and initiatives as a response to the government's new food strategy and increases in budget allocations. The portfolio needs to be further developed, including defining what agreements should belong to the portfolio, and monitoring at portfolio level must be established, before substantial progress and assessments of potential for improved results can be made.

Annex 7:

Scoring of portfolio theories of change and knowledge plans

Cover note accompanying scoring of portfolio theories of change and knowledge plans for 13 portfolios in Norad

Introduction

This note accompanies the assessment forms shared with the managers of 13 Norad portfolios. The assessments have been conducted as part of the ongoing evaluation of Norad's use of knowledge in portfolio management. The purpose of the assessments was to establish the extent to which the current portfolio theories of change and the knowledge plans easily lend themselves to use of knowledge for portfolio management.

This assessment note explains the literature that underpins our understanding of what a complete, useful theory of change and knowledge plan should look like. We also set out how the scores were developed and how the portfolio theories of change and knowledge plans were assessed. In addition, we share some headlines on emerging patterns from the assessments as a group.

The assessments compare current portfolio theories of change and knowledge plans with what theory and practice normally require of these tools. The assessments do not include any judgement of whether the 'right' knowledge (e.g. academic research, evaluations, grey literature, professional experience) has been referenced or included. The assessments can, however, shed some light on the types of knowledge used and whether they are referenced appropriately, e.g. whether the theories of change are complete and logical.

The forms are developed as an evaluative tool for quality assessment rather than for quality assurance. Quality assurance is a continuous process based on identifying and rectifying any issues of quality within an organisation or during the delivery of a given intervention. Quality assessment tools collect and analyse data to understand the extent to which it conforms with a set of predetermined criteria. In this case, our quality assessment allows us to analyse Norad's overall use of theories of change and knowledge plans against the agreed criteria. This forms a key part of the evidence base across the evaluation questions.

Our understanding of a theory of change and knowledge plan

Although there is no single definition of a theory of change, it is commonly understood as a structured methodology used to map how organisations, programmes or interventions are intended to achieve impacts or outcomes by delineating pathways of change. It hypothesises how and why the organisation, programme or intervention is intended to bring about change, setting out the underlying assumptions and logic behind interventions, making the process more transparent and facilitating evaluation.⁷⁸

⁷⁸ Itad (2023); Norad (2023); Jones et al. (2022); Powell (2019); Kwaśnicka et al. (2016).

Best practice in international development cooperation suggests that a theory of change is most effective when it is used to facilitate ongoing critical reflection about how change happens. It is therefore useful to think of a theory of change as both a process and a product. Engaging in a process of discussion, analysis and learning generates insights which support the design, implementation and evaluation of organisations, programmes or interventions.⁷⁹ The product is a tool for communicating this process through narrative and diagrams. This can then be used as an organising framework to guide continuing discussion, implementation, decision making, monitoring and evaluation.⁸⁰

The knowledge plan functions as an essential complement to the theory of change, setting out the knowledge needs of an organisation, programme or intervention from conception to impact. It first structures the process of capturing and analysing the evidence base needed at design stage and creates a series of touchpoints to ensure evidence-based decision making throughout implementation.⁸¹ The knowledge plan serves as a means of identifying gaps and methods for addressing them, and helps ensure a more strategic view of longer-term planning, supporting the uptake of evidence within this process.⁸²

Both the theory of change and the knowledge plan are therefore key documents in Norad's ongoing adoption of knowledge-based portfolio management. On that basis, we have included an assessment of all portfolio theories of change and knowledge plans as a key component of the evaluation. The full rationale and methodology for the assessment are set out in the inception report. The next section describes the development of the criteria and scoring used in the assessment.

Development of criteria and scoring guidance

We developed criteria for assessing each portfolio based on our understanding and experience of what makes an effective theory of change and knowledge plan. This was reviewed by stakeholders in Norad as part of the inception report process, and was edited in response. Our work assesses both the process of developing the theory of change and knowledge plan and the final products themselves. This echoes our understanding of the purpose of these tools, as set out above. We have therefore based our judgements on both documentation and interview data.

The templates in annex 4 set out the agreed assessment forms for theory of change documents and knowledge plans, and a list of data sources.⁸³

Our assessment process

We followed a clear set of steps to ensure rigour and consistency in our use of the criteria. We have put safeguards in place to ensure consistent, fair understanding and application of the criteria among the evaluation team. We kept the size of the review team to two people, to minimise criteria being interpreted differently. Both team members are MEL experts, with experience in developing and reviewing theories of change and knowledge plans.

⁷⁹ van Es, Guijt, & Vogel (2015); Vogel (2012).

⁸⁰ Itad (2023); Norad (2023); Higdon (2020); van Es, Guijt, & Vogel (2015); Valters (2015); Valters (2014).

⁸¹ Norad (2023); Al-Alshaiikh et al. (2020); Haynes et al. (2008).

⁸² Itad (2023); Norad (2023); Hultqvist et al. (2022); Tsutsui et al. (2021).

⁸³ NB: We made one final edit to the theory of change criteria after piloting the assessment. The criteria for 'testable' and 'verifiable' were too similar to be useful analytically as two separate categories. We therefore combined them into one category of 'testable', ensuring that the content of both was included.

Step 1: Our quality assessors collated and reviewed data sources against the criteria, including a mixture of document review and key informant interviews with portfolio leaders and team members. The templates in annex 4 include a more detailed overview of data sources used for each criterion.

Step 2: They then wrote a narrative response to each criterion. This narrative explains the extent to which the documents meet each criterion. We used examples to illustrate and justify the judgement being made. We then scored the awards based on the evidence for each criterion, ensuring we highlighted what was missing if we were not able to give a score of five.

The scale used is set out below, along with an example of a score and narrative response:

1	2	3	4	5
Not evident	Slightly evident	Moderately evident	Highly evident	Fully evident

Theory of change criterion 6

Owned: Those who are implementing the theory have been involved in its development.

The theory of change has been developed by a team of three from the section, led by the Head of Section and the portfolio coordinator. The rest of the team of seven people have been involved in discussion throughout the process. The process of developing the section's work into a portfolio and taking a more holistic approach was already under way before Norad made an organisational shift to knowledge-based portfolio management. The team therefore has a strong, well-developed sense of ownership over the theory of change.

Score: 5

Step 3: Our quality assessors first completed a pilot assessment of the same portfolio. The team leader reviewed the assessments with the team, discussing any disagreements or differences of opinion. We then agreed on final judgements and made small final changes to the assessment criteria based on the experience of applying them.

Step 4: Our quality assessors then completed the rest of the portfolio assessments. During this process, they spot-checked each other's assessments to give feedback, ask any points of clarification and maintain consistency of approach.

Step 5: The quality assessors peer-reviewed a sample of each other's assessments. We then reviewed the set of draft assessments as a team in a moderation and calibration meeting. The team leader then carried out spot checks of the assessments. This involved taking a sample of high and low-scoring theories of change, and high and low-scoring knowledge plans, and checking that the key document aligned with the assessment made. This allowed us to check the consistency of scoring and judgements and clarify any areas of uncertainty. We then adjusted scoring and narratives where needed and finalised the assessments on this basis.

Limitations

As with any evaluation methodology, there are limitations to our approach. These are set out below, along with any mitigations that we have put in place.

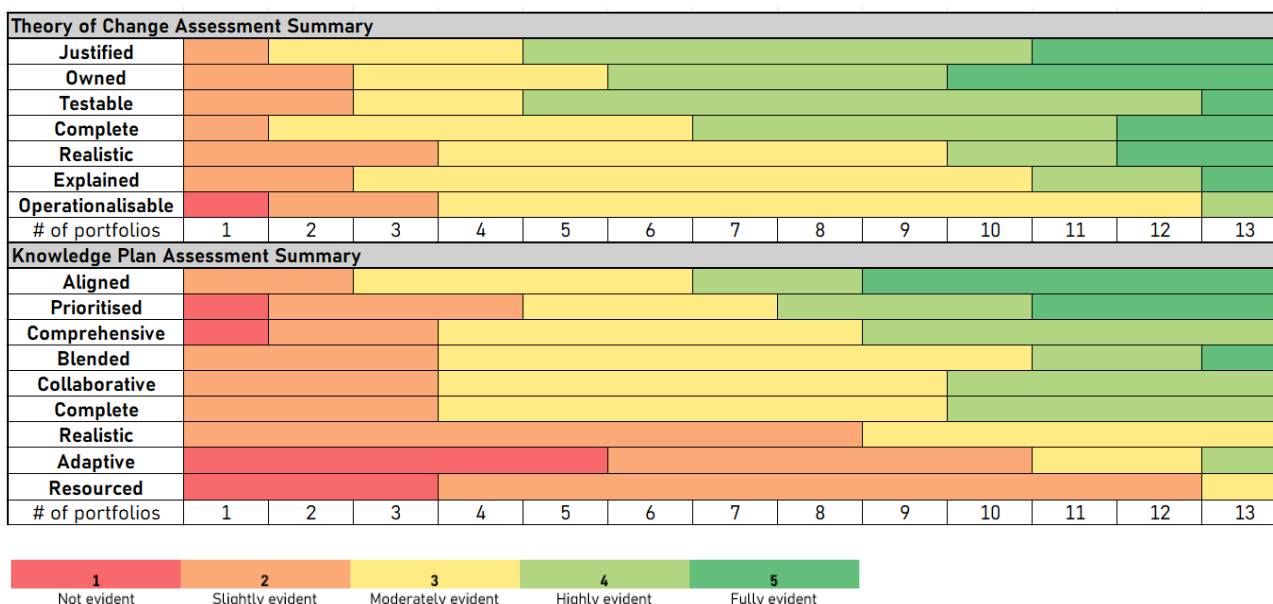
- **We are not providing a judgement of whether the right research and evaluations are included in the portfolio knowledge base.** That would require a much more in-depth review of the wider sector-

specific literature, which is beyond the scope of this evaluation. We have, however, commented on any notable gaps in a portfolio’s evidence base where they appear.

- **The two case study portfolio assessments draw on a much larger evidence base than the other portfolio assessments.** We held many more interviews with the Governance and Public Finance and Food Security Portfolios, and reviewed a much more comprehensive list of documents. We designed the remaining assessments to be lighter-touch to gain a picture of progress across Norad as a whole. This involved reviewing key documents and conducting two interviews with portfolio leaders. Although we do not think this made a higher or lower score more likely, it does mean that we can have more confidence in the evidence for our judgements of these two portfolios than for the rest.
- **This remains a subjective assessment,** despite our robust measures to quality assure, moderate and review assessments to ensure consistency of interpretation. However, there is still room for interpretations of the evidence base to differ.
- **This cover note does not offer a full analysis of trends in portfolio management within Norad as a whole or any recommendations on that basis.** These will be included in the final report when we have analysed and synthesised material from the whole evaluation.

Overview of scoring against criteria

This graphic shows the scoring for the groups of assessment across each criterion. We have arranged the criteria from strongest-performing to weakest-performing in each assessment.



Headlines from the assessments

Based on this scoring exercise, we present some emerging findings about Norad’s progress towards using theories of change and knowledge plans as a tool for integrating knowledge use in portfolio management. Both portfolio theories of change and knowledge plans are key building blocks of knowledge-based portfolio management. They are still relatively new to many in Norad, and portfolio teams are still getting to grips with how best to use them. The findings below reflect this and point to issues which Norad and

portfolio teams can work on to further strengthen their utility and value. The assessments themselves offer more tailored, detailed feedback for each portfolio team, intended to support them in developing these tools further.

If we think of the theory of change and knowledge plan as both process and product, the product generally does not reflect the way in which portfolio teams have engaged in the development process.

Portfolio teams have largely engaged with the process of developing their portfolios, finding it a helpful way to think about their work more holistically. They often found value in the space created for connection and discussion with colleagues. As such, in interviews portfolio team members articulated a good sense of the theory and its logic, from interventions to impacts. In cases where the teams are at an earlier stage of development, they are aware that their thinking needs further refinement. The products – the theory of change and knowledge plan documents – often do not reflect this thought process very well. The documents are almost universally less complete than people’s thinking. In particular, interventions are likely to be missing, with Norad’s role not fully articulated.

Theories of change are much better developed than knowledge plans. Portfolio teams have engaged with the process of developing theories in a collaborative way.

Teams have generally committed to the process of developing their theory of change and have used it as an opportunity to reflect on the purpose and scope of the work they are doing. In most portfolios, teams have worked in a collaborative way, taking time to ensure input and involvement from everyone. This has enabled teams to take a more holistic, joined-up view of their portfolio.

Good practice: theory of change

The Sexual and Reproductive Health Rights (SRHR) Portfolio team collaborated effectively to produce a detailed theory of change. The team developed a knowledge base with consultancy support, working from a starting point of seeking to understand Norway’s added value in the SRHR landscape. They involved the whole team in developing the theory of change in workshops and meetings.

Using knowledge to address gaps

The Oceans portfolio analysis surfaced a need for a greater focus on the private sector. The team has since put out an invitation-only call for proposals to set up new projects working on incubators and accelerators.

The Governance and Public Finance team established that statistics need to be integrated more fully across all elements of the portfolio. They have begun discussions among the team and with key partners, including Statistics Norway, to set this in motion.

There is evidence that some teams are starting to use the knowledge base developed in the portfolio development process to change the way in which they manage their portfolios.

The process of analysing the portfolio and developing the theory of change has helped some portfolios to identify gaps in their work. They have a more holistic and comprehensive view of their portfolio of work, and a clearer sense of where their priorities should lie. A few portfolios have been able to develop calls to establish new agreements to address these gaps. Others have identified new strategic priorities or have set out how they want

to influence multilateral partners.

Theories of change have a strong knowledge base, but lack global South evidence. All portfolios have a robust knowledge base drawn from a range of sources. Teams have drawn on their own professional knowledge and experience in addition to a range of academic and grey literature. Many portfolios have involved their partners in developing the portfolio knowledge base, sometimes through their knowledge products and sometimes through informal contacts. There is, however, limited evidence of global South

sources.⁸⁴ Some portfolio teams have already acknowledged this as a gap, but this is an area for Norad to address as an organisation to make their knowledge base richer and more equitable.

Most theories of change are not sufficiently clear about the specific role that Norad should play in supporting change. More careful analysis of the scope and nature of Norad's own role might help to navigate this issue. Some portfolios have begun to think through the boundaries of what Norad's role and contribution should be in different areas of their work. Many key factors are in play, including Norad's comparative advantage, the nature of the funding stream (core, multi-donor, bilateral), and the degree of Ministry involvement. Teams should consider how these factors affect different areas of their work and what Norad's added value could be as a result – funder, advocate, convenor, conduit to normative spaces, advisor, knowledge commissioner, etc. Clarifying the boundaries of Norad's contribution, rather than narrowing the thematic scope of portfolios, would create theories of change better suited to complexity.

Making Norad's role explicit

The Higher Education and Research portfolio has carefully considered their own role in their theory of change. Each outcome lists interventions and inputs in terms of what Norad does – convening, commissioning research. This makes the chain of events clearer and will facilitate monitoring of portfolio progress.

Related to this, although portfolios are focused on complex systems-level change, theories of change are not always clear on which part of the system Norad is focused on. Norad's portfolios address complex challenges in inherently complex environments, and they seek to have systems-level impact. As a consequence, many teams have pitched their theories of change at a high level. It would help to clarify at which points within a system Norad intends to focus its efforts, as this would help with where to prioritise resources and would strengthen the realism of the portfolios.

Good practice: knowledge plans

The Civic Space knowledge plan is a positive outlier. It addresses knowledge needs throughout the portfolio management cycle systematically. Learning questions are organised thematically in a way that aligns with the theory of change. The team has a process for addressing knowledge gaps. However, like other plans, the knowledge plan still does not have a clear resourcing plan.

Knowledge plans are typically not well developed, understood or owned by teams. They have largely not been put into practice or used as a management tool. Teams typically reported having less time available to work on knowledge plans than on theories of change. There were often fewer people involved and less understanding of the purpose of the knowledge plan. They tend, therefore, to be of lower quality than the portfolio theories of change.

⁸⁴ We looked at the sources referenced to see which organisations and institutions were represented. There was a strong bias to global North sources.

In particular, knowledge plans scored poorly on criteria related to actually implementing and using them (realistic, adaptive, resourced). Interview data suggests very few are being used meaningfully, largely because teams lack the resources to address the identified knowledge needs. Norad as a whole needs to consider what resources need to be invested if knowledge plans are to be a useful tool.

Portfolios do not yet have a strategy for monitoring and tracking progress at portfolio level. The theories of change are high-level and often lack specifics on Norad's role and where it fits in the system. This makes it hard to define intended pathways of change and to gather evidence of progress along those pathways. Most teams acknowledged that this is an area where they still need support and further development. As an organisation, Norad needs to consider how to support its teams to do this.

Steps towards tracking portfolio-level progress

The Forests Portfolio is working on incorporating portfolio-level indicators into its midterm review process. They have a set of indicators from Norway's International Climate and Forest Initiative to work from, but there may be some aspects of the approach that transfer to other portfolios.

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