Monitoring and learning for country-level portfolio decision-making and adaptation

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Key messages

- Portfolio-level analyses can serve eight potential purposes, each of which answers different questions, involves adaptation at different times and levels, and requires different types of evidence. Identifying the purpose(s) and how the component parts relate to each other should guide the development of monitoring and learning systems.

- Portfolios are oriented more towards breadth than depth, involve more people with different perspectives, and draw on multiple sources of evidence with potentially greater variation in quality.

- In practice, four activities appear to be applied most frequently at a portfolio level: alignment of indicators and aggregation of monitoring data; synthesis of multiple sources and types of information to provide a summary of outputs, outcomes, common observations and trends; periodic review and reflection sessions; and strategic planning, design or refresh of the portfolio strategy.

- The extent to which evidence-informed portfolio management is facilitating learning and adaptation has not been well documented to date, and we suggest potential indicators to do so.

Most measurement and adaptive management approaches were developed for and from individual projects (Sweetman and Conboy, 2018). Senior managers and public officials, however, are often interested in results at more aggregate levels, looking across multiple projects at wider portfolios of work. Taking a broader perspective offers the chance to examine larger trends, interactions and effects; manage investments in a way that balances short- and longer-term objectives, risks, opportunities, capacities and resources; and facilitate tactical and strategic adaptation within and across projects. At the same time, variation across many units can limit the extent of standardisation, comparison and aggregation. Moreover, given the difference in scope between a portfolio and more discrete subunits, the types of questions asked and decisions taken, and correspondingly the information and processes used to address these, will be distinct.

This brief aims to guide measurement and management of country-level portfolios of work. It identifies potential purposes portfolio-level analyses can fulfil, types of adaptation, and the relative role of monitoring, learning and evaluation (MEL). Drawing on reviews of practice from the United States Agency for International Development (USAID) and the United Kingdom Department for International Development (DFID), guidance notes, and experiences of members of the Global Learning for Adaptive Management (GLAM) initiative, it offers recommendations and considerations that are particularly relevant for this level of analysis and management.

What is a portfolio?

By portfolio, we mean an aggregate grouping of discrete projects or programmes linked by an overarching, time-bound strategy. By project, we mean a piece of work that each has a specific purpose and scope, a collection of related tasks or deliverables; we use this term to refer to subunits within a broader portfolio. Here, we focus specifically on country-level portfolios of work that are funded by a single development agency, covering multiple issue areas within a bounded political and geographic territory. Individual projects within the portfolio have vertical lines of accountability to an overarching organising entity and all share a core unifying element, but the specific objectives and interventions each project pursues may be quite different.

For example, DFID Nepal's £88 million portfolio of 23 active programmes, implemented by almost 60 partners, covers peace, security and access to justice, skills and employment, access to finance, market development, rural water and sanitation, family planning and health services, climate change, resilience to natural disasters, evidence for development, governance and anti-corruption, and infrastructure development. These diverse programmes operate within the context of Nepal's post-conflict process of federalisation and post-earthquake recovery and risk reduction. Together, they aim to accelerate positive transformational change in Nepal in three key areas: inclusive growth, economic transformation and new, effective and legitimate institutions in the transition to federalism.

Across organisations and in the literature, terms for nested units are not used consistently, and may include activity, intervention, component, project, programme, multi-project programme, consortium, initiative, scheme and facility. There may be different levels of supra-project groupings that reflect increasingly aggregated units from micro to mezzo to macro.[1] Key for the measurement and management

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1   For DFID, nested groups within a country-level portfolio would correspond to: Country office portfolio; Thematic portfolio reflecting high level development outcomes (i.e. Governance, Economic Development, Inclusive Growth), Programme (e.g. Health Sector Support Programme); Project/components. For USAID, these levels correspond to: Country Development Cooperation Strategy (CDCS), addressing multiple development objectives; Development Objective (e.g.. more inclusive and effective governance), comprising several Intermediate Results (e.g. accountability of selected institutions strengthened); Project, comprising a set of activities and aligned with one or more Intermediate Results; Activity, individual components that make up a project. Global programmes like DFID's Modern Slavery response or USAID's strategy for Combatting Wildlife Trafficking represent a mezzo-level unit with a more bounded common objective and vertical/nested (subnational/national/global) or networked relationships among component parts.

of aggregate groups is the extent of variation among the subunits and how, if at all, they are expected to relate to one another. In addition to variation within portfolios, some countries and thematic areas may face greater uncertainty and volatility, so the measurement challenges and/or level of risk may be higher for some portfolios than others – work in fragile and conflict-affected settings (FCAS) and governance portfolios, for example.

What purposes can portfolio-level analyses fulfil?

Project-level enquiries typically ask 'what happened, with what effects?' to guide 'what, if anything, needs to be changed?'. Across projects at a portfolio level, we identify eight distinct aims that could be addressed, which respond to different sets of questions, involve adaptation at different time points and levels, and draw on different types of evidence. These are: overview/ health check, sum of the parts, synergies and spill-overs, hypothesis testing, transferability, context responsiveness, balancing/hedging, comparative advantage/future positioning (see Table 1).

Clarifying the boundaries of the portfolio, the subunits within it and how they are expected to relate to one another can help to determine the purpose(s) of taking a portfolio-level perspective. A portfolio strategy can provide this overarching framework. If the component parts are intended to relate to each other in a meaningful way, beyond a basket of activities overseen by the same organising entity, it may be useful to develop and refine over time a portfolio-level theory of change (ToC) that articulates relationships among the constituent parts (e.g. additive, interactive, comparative, counteractive or stabilising), and between the portfolio and the broader operating environment. Using a nested ToC can help to provide the level of detail necessary for coordinated implementation and the more top-line illustration of relationships and effects.

What types of adaptation can portfolio-level management enable?

Each of the eight potential purposes also relates to different types of adaptation at portfolio and/ or project levels during current and/or future funding cycles. In some cases, they can help to enable collective delivery and serve important management functions, not primarily related to adaptation.

The overview/health check and 'sum of the parts' functions of a portfolio are often predominantly oriented towards communicating results and responding to external requests for information, including from elected officials, such as 'what is the agency doing on x?'. Understanding cumulative effects, and particularly synergies and spill-over effects, can help to inform future project, programme and portfolio design to account for these interactions.

The functions of transferability and responsiveness to context take advantage of the portfolio perspective to inform project-level adaptation, mainly in the current project cycle. For instance, an annual portfolio review may highlight the need for all projects to meet more frequently with subnational officials or identify an opportunity to integrate an approach for engaging local government representatives that has worked well for one project and could be applied to other projects in the same region.

Hypothesis testing and balancing/hedging functions involve changes to the set of projects within a portfolio and reallocating resources, scaling up or terminating projects based on performance or changes in the level of risk associated with a particular project. Balancing/ hedging will most likely take place at the portfolio design phase when deciding on the mix and relative value of large investments, but smaller adjustments could also occur throughout the portfolio cycle.

By definition, the comparative advantage/ future positioning function is forward-looking, informing the development of the next phase. Identifying comparative advantages and future roles is based on prior analyses and projections. Balancing/hedging may further adjust the range and size of investments to increase the likelihood of achieving expected goals within the funding cycle, acknowledging that future realities are likely to diverge from projections.

Table 1   Adaptation and evidence needs associated with different purposes of portfolio-level analyses and management

Purpose of portfolio-level analyses and management: guiding questions	Orientation and timing of adaptation	Type of evidence needed
1. Overview/health check What is happening and how are things going? What areas need more attention?	Shift in management attention towards specific projects during the current funding cycle	Top-line activities, performance, risk
2. Sum of the parts What is the cumulative effect of multiple projects?	Primarily for external communication rather than adaptation	Comparable outcomes
3. Synergies and spill-overs How do projects and actors interact (including donor or implementing partner coordination), with what effects?	Shift in implementation practices within and across projects to guide current or future work	Implementation practices, outcomes
4. Hypothesis testing Which approach works better? What should be scaled up, down or discontinued?	Adaptation explicit in design, experiments inform scaling up or down individual projects and associated reallocation of resources across portfolio during current funding cycle	Implementation practices Comparable outcomes and value for money assessments
5. Transferability What can projects learn from each other? What promising practices could be adopted elsewhere? What do all projects need to consider or change in response to a new understanding of core intervention mechanisms?	Shift in implementation practices at project level during current funding cycle	Internal programme data: Implementation practices Evidence on components of the theory of change: assumptions, effect pathways, interactions among intervention components
6. Context responsiveness What do all projects need to consider or change in response to shifts in the context?	Shift in implementation practices at project level during current funding cycle	Analysis of the external operating context
7. Balancing/hedging How can the portfolio maintain a pipeline of outcomes over different time frames, which range in their likelihood they will be achieved and level of risk?	Selection of projects across the portfolio at design phase, potentially for resource adjustments during current funding cycle	Expected outcome trajectories and timing (i.e. reasonable to observe effects immediately vs. 4 years), risk, strength of the evidence on the intervention in a similar context
8. Comparative advantage/future positioning In the next five years, how can we maximise the value of our investment and unique contribution relative to others? What should we move out of and expand into? How should future resources be allocated?	Inform development of future portfolio	Widest range of sources: analysis of the operating context, stakeholder mapping, research, outcomes and value for money assessments of previous programmes, national administrative data, trend data, scenario planning

Monitoring and learning at the portfolio level

The scope of a portfolio has implications for the type of evidence needed, and analysis, learning and decision-making processes. By nature, portfolios are oriented towards **breadth more than depth** for a top-line understanding of the whole rather than a detailed understanding of component parts. Implementation and data gathering – and potentially analyses, interpretation and learning processes – **involve more people, often from more diverse perspectives** than in a single project, with specialists across a range of thematic areas or geographic contexts. Evidence is drawn from **multiple sources** and there may also be **greater variation in the quality** of information, so combining and potentially reconciling conflicting pieces of evidence can be more difficult at a portfolio level. In particular, outcomes and

value for money assessments may not be directly comparable or lend themselves towards aggregation (Powell et al., 2018). Given this variation, synthesising or integrating different types of information (rather than aggregating standard indicators), along with a thorough understanding of limitations in terms of data quality and availability, is critical to informing portfolio-level reviews and strategic decisions.[2]

Like evidence-gathering and analysis processes, decision-making processes at a portfolio level are broader in orientation and may involve more perspectives. Reflected in the potential purposes, portfolio-level analyses may be better suited towards medium to longer time horizons and less suited for immediate decision-making based on real-time data, except in emergency response situations.

Monitoring and learning are more common at this aggregate level than evaluation of the entire portfolio. In practice, the following four activities appear to be applied most frequently at a portfolio-level (Powell et al., 2018; Social Solutions, 2017; USAID, 2018):

- *Alignment of indicators and aggregation of monitoring data* across projects through a management information system (MIS), ideally with accessible data visualisation tools. This process could also involve standardising some monitoring processes and establishing minimum standards and quality assurance mechanisms. Alignment may be easier with output indicators (e.g. number of people reached) than outcome and value for money indicators (Powell et al., 2018). Alignment and aggregation enable the portfolio manager to estimate the sum of the parts and, depending on the indicators, conduct a portfolio health check.
- *Synthesis of multiple sources and types of information* including context assessments, monitoring data, beneficiary feedback, staff perceptions, evaluations and implementation experiences, that are combined to provide a *summary of outputs, outcomes, common observations and trends*. This synthesis is often used to communicate portfolio-level activities and results externally, contributing to the health check and 'sum of the parts' purposes. It can inform internal decision-making, including transferable lessons and responses to changes in the external context that may be necessary in the current cycle and can inform directions in the next phase.

- Periodic portfolio *review and reflection* sessions every one to six months to review recent and/or current efforts and progress towards targets, and share information and lessons across projects. These sessions provide the opportunity to assess critical assumptions in the portfolio ToC and how shifts in the context might have affected these, and what types of operational changes may be necessary. These review sessions can inform a health check, and identify opportunities for transferable lessons and changes in response to the external context.
- *Strategic planning, design or refresh of the portfolio strategy* to define priorities, align outcomes and allocate resources for the next funding cycle. For example, USAID/ Zimbabwe undertook a collaborative, scenario-based Country Development Cooperation Strategy (CDCS) design process where the entire Mission worked together in an intensive four-week period to consider strategic analyses, development hypotheses, country-context scenarios and prepare the country-level results framework for the next five years. This relates most directly to the portfolio purposes of balancing/hedging and comparative advantage/future positioning.

What are sometimes referred to as portfolio evaluations are often top-line summaries of activities with selected case examples, rather than an evaluation that attempts to assess

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2   Specific disciplines have established guidelines on how to assess the quality and weigh different types of information (e.g. GRADE in the health sector). Development agencies have data quality assessment tools and resources, but this analysis appears to be inconsistently applied in practice.

every activity taking place in the country.[3] Indeed, the scope means that it is often not feasible and may not be appropriate to evaluate the entire portfolio. Individual and 'whole of project' evaluations, with a clearly articulated ToC, synergies among activities and highly interdependent implementing mechanisms (USAID, 2016), can usefully contribute to portfolio reviews. Some countries have conducted just-in-time assessments and evaluative exercises to inform portfolio reviews, as a less intensive alternative to comprehensive process, outcome or impact evaluations. Support for evaluation functions (e.g. writing terms of reference, capacity strengthening, quality assurance) can be provided across a portfolio, but these efforts are conducted at project and programme levels.

Considerations and recommendations for portfolio monitoring and learning for decision-making and adaptation

These experiences from practice underscore several key considerations in embedding portfolio-level monitoring and learning approaches. Nearly all are points that are relevant to MEL systems and evidence-informed decision-making more broadly – and indeed are widely recognised principles and guidance – but that remain difficult to embed in practice. These challenges may be amplified at the portfolio level because of the scope.

Specific to portfolio-level analyses

Clearly identify the need or purpose(s) of monitoring and learning at the portfolio level,

distinguishing the value of aggregation at this level and prioritising among multiple desirable functions. Guidance notes caution against artificial aggregation to macro-level groupings in the absence of an underlying rationale for the combination of dissimilar groups and an understanding of how they (are expected to) relate to one another, or the identification of commonalities and generalisable features (Buffardi and Hearn, 2015; Harvey et al., 2017; Bowman et al., forthcoming). For many questions or decisions, particularly those that require a high level of detail or are highly context-specific, portfolio-level analyses may not be appropriate. In practice, identifying 'peer programmes' – which is critical for experimentation and transferability – has been challenging, particularly given different interpretations of value for money across sectors and the unique and dynamic nature of work in many fragile and conflict-affected settings (Powell et al., 2018).

Learning needs, and the types of information sources and timelines to address them, will vary across actors and subgroups within the portfolio (see Bowman et al., forthcoming, which identifies the primary questions and evidence needs for different types of subgroups). Indicators gathered for upward reporting to the portfolio level may not be useful for the people whose time is spent collecting and inputting this information. For example, documenting activities will help senior managers understand what is happening across the portfolio, but it will not help frontline staff understand why certain strategies are not having the intended effects. Openly acknowledging this mismatch can be more productive than assuming that all learning needs can be met in one way.

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3   The distinction between selected examples versus a comprehensive analysis is important for both evaluation design and particularly the interpretation and generalisability of findings. Mackenzie and Hearn (2016) suggest six strategies for evaluating more bounded aggregate groupings, developed based on the Indonesian government's National Team for the Acceleration of Poverty Reduction and the Poverty Reduction Support Facility: develop appropriate logic models involving multiple theories of change at multiple levels; collect observational data throughout implementation; develop stories of change or case studies to understand how changes are taking place; understand causal relationships without a counterfactual; purposefully select which cases to examine in greater depth and how these examples relate to the broader whole (i.e. 'typical' or 'diverse' case selection); and be explicit about how impacts will be valued across the portfolio.

Good MEL practices

Additional recommendations are relevant to MEL efforts at all levels, but may be intensified at the portfolio level:

- *Involve decision-makers and other evidence-users*, engaging a diverse or purposively selected range of stakeholders in identifying questions and interpreting patterns.
- *Clarify roles*, particularly between management, implementing and MEL staff, between internal and external positions,[4] and across project-level, thematic and country-level MEL roles. Determining who should be involved in what, including who has the authority to take decisions and mandate changes, will be based on the need or purpose, and should consider potential conflicts of interest and the trade-offs involved in greater and less integration/separation of assessment functions and candid discussion of what is not working. USAID experience cautions against contracting out too many activities to third party providers, and delegating or consolidating responsibility in a single person, as senior-level commitment is necessary for portfolio adaptation. Portfolio-level needs may require different types of MEL staff or specialisations at different times.
- *Ensure sufficient and protected staff time*, particularly for pause and reflect sessions, and for data analysis and interpretation. Staff time is typically oriented towards delivery, data collection and reporting, leaving little time available to analyse and interpret evidence in a meaningful way. Explicit and implicit organisational incentive and reward systems can play a large role in directing how staff spend their time.
- *Cultivate and invest in relationships and building trust*, including creation of safe spaces for critical reflection and discussion. This underscores the need not only for technical but also interpersonal and management skills and substantial time for managing relationships. Staff turnover means that strengthening relationships is an ongoing endeavour. Taking a portfolio perspective may require a shift in thinking and organisational culture, away from more specialised – sometimes siloed – groups, particularly for people who are not at the centre or top of the portfolio organogram. Breaking out of thematic silos can contribute to particularly insightful portfolio-level discussions.
- *Present evidence in an accessible way*, such as dashboards and visual representations of trends and geographic distribution of projects and actors.
- *Stimulate enquiry and engagement with evidence*, which could be done through an accompaniment role that supports staff to discuss 'so what? now what?'
- *Restrict evidence gathering to information that is being analysed and used*, rather than investing significant resources in collecting data on hundreds of indicators that are not used.
- *Time* data collection and review processes so they link well with other reporting requirements and planning cycles. National and donor planning cycles may not align.

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4   USAID mission/country-based MEL platforms are implemented by externally contracted suppliers, some of whom are physically based alongside USAID staff. Representing approximately 2%–17% of mission budgets, these MEL platforms provide tailored, context-specific support, specialised data collection and analysis skills, operational and logistical support for monitoring, commissioning external evaluations and facilitating reflection sessions, and capacity-strengthening to staff and implementing organisations (Social Solutions 2017). In designing this portfolio-level monitoring, learning and adaptation function, USAID (2018a) recommends asking four questions: 1) Which monitoring, evaluation and learning functions will be covered, based on the primary purpose or anticipated use?; 2) Will the country programme or technical office design and manage the MEL support function, based on needs and demand for support and current staff capacities?; 3) What staff pattern responds to identified needs: how many and what types of positions?; and 4) How will flexibility be addressed in the contract?

Assessing portfolio learning and adaptation

Portfolio-level indicators typically report activities, outputs and outcomes: the number of training sessions conducted, the number of people accessing services and changes in health status, for example. Portfolio-level indicators could also assess the extent to which evidence-informed portfolio management is facilitating learning and adaption. This could be done through indicators such as the:

- Amount of time and profile of people involved in joint reflection sessions
- Types and quality of evidence considered
- Documented accounts of how and what types of evidence are used, by whom for what purposes
- How activities, plans and strategies have changed.

The inclusion of these types of process indicators signals the importance of these efforts and provides an incentive to allocate time and resources to learning and adaptation as well as delivery.

Conclusion

Portfolio-level analyses offer a distinct perspective and the opportunity to facilitate tactical and strategic adaptation within and across projects. To maximise these efforts, it is important to clarify the aim of taking a portfolio-level perspective, and to structure and incentivise monitoring and learning processes accordingly. A 2017 review indicated that the use of evidence in decision-making in DFID was highest at the design stage, suggesting that there may be opportunities to further integrate evidence into adaptation decisions during implementation (Powell et al., 2018).

Given the relative lack of documentation on the use of monitoring, reflection and learning processes for adaptation across project and portfolio levels, and different configurations of this in different contexts, the GLAM initiative is exploring these questions through our action–learning engagements, and we encourage further research and knowledge sharing in this area.

Visit **www.odi.org/glam** to find out more about our work.

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