PORTFOLIO
Document GUIDANCE

The following document is a guidance companion to the portfolio Document TEMPLATE

This is not a guidance note on how to create a portfolio.
For information on how to create a portfolio please consult UNDP's Portfolio Primer

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December 19, 2023

Welcome!

This guidance, and associated Portfolio Document template, is the result of an ongoing transformation captured in the current UNDP Strategic Plan 2022-2025:

"UNDP will look beyond sectoral challenges for opportunities for transformative change. A portfolio approach means understanding issues from a systems perspective, leveraging linkages across interventions to achieve broader goals. This requires a different risk appetite, prepared to explore innovative options".

With this ambition in mind, UNDP's Strategic Plan calls for a portfolio way of working built on a system's approach, leveraging linkages across interventions to achieve transformative change.

Guidance to help prepare a systems portfolio document.

This document provides guidance to help prepare a UNDP Portfolio Document. More resources to support the initiation and design of a portfolio can be found in the "Portfolio Approach Source Board" here).

A new instrument, complementing existing ones.

This new instrument adds to the array of existing UNDP development instruments. Each one is designed for a specific purpose and care must be taken in choosing the appropriate instrument for the challenge type being addressed. Projects are an effective modality for more bound and familiar challenges; portfolios are better suited for more complex systems challenges. Some key difference, between project and portfolio modality, are listed in the policy on portfolios.

A new instrument in an existing environment.

We took a lot of care to ensure portfolio compatibility with the current regulatory environment. Running a successful portfolio will also require a lot of care in enabling a cross functional, team-based way of working within country and regional offices. This might mean a little extra effort in working across programme and project logics of work, to enable a new way of working. Portfolio results for example, may also require a bit of extra work to package them to meet corporate reporting requirements. We are confident, however, that the benefits afforded by such a strategic instrument will offset these efforts.

An evolving instrument, shaped by growing field experience.

This systems portfolio tool was created in response to the new Strategic Plan, based on the growing field experience and feedback from Country Offices. It is the fruit of the active collaboration between Country Office, Regional, HQ teams, and support staff teams across the organization to better understand what works. It is also UNDP's first attempt to build a systems level portfolio modality. A modality that goes beyond ideas of project aggregation, to address the underpinning logics of complexity and systems challenges There is no off-the-shelf solution to a systems approach to development. This is a challenge of continual improvement and investment in new organizational capabilities to generate new know-how.

We welcome feedback on how to help improve the document and its guidance.

BPPS Quality and Impact Hub (QIH) & Strategic Innovation Unit (SIU)

Notes on linking existing projects to a portfolio.

Portfolios are not a tool to aggregate projects, but instead, are an instrument to address system challenges.

There are different pathways to building a portfolio. Ideally, portfolios would be built from scratch, starting with a clear sense of direction and organizing principles.

However, in some cases there may be multiple existing projects in a Country Office that might benefit from being reframed in the context of a portfolio. There are mainly two alternatives:

<u>Existing projects form the basis of a portfolio</u>

This option is used when there is a clear synergy between existing projects (for example; projects are contributing to the same CPD/ RPD Outcome, have the same IP, SP Outputs and Outcomes) that can become the foundation of a new portfolio.

<u>An existing portfolio benefits from an existing project</u>

This option is used when an existing portfolio would benefit from the synergies afforded by an existing project.

Steps in transitioning projects into a portfolio

1. Make sure you have engaged in the UNDP Portfolio Primer process before making any project related transition decisions (link to come soon). Use that process as a basis to make a strategic decision about projects and portfolios.
2. Explore with great consideration what projects might be portfolio-relevant, which ones are not, and which ones require changes. Remember that a portfolio is a systems transformation instrument, not a project aggregator.
3. Ensure that any project that is integrated into a portfolio is aligned with this portfolio guidance. This means that all projects:
    - Are aligned and integrated to the portfolio Theory of Change
    - Share a common portfolio Results Framework
    - Are integrated into an updated multi-year work plan approved by the respective implementing partner(s)
    - Have secure agreements from the implementing partners on convening a portfolio board and the Portfolio Shared Results Committee (PSRC).

How to use this guidance

This guidance is the companion to the Portfolio template. We suggest you read through this entire guidance before starting work on the Portfolio template.

Five easy steps

1. Review this guidance
2. Use the guidance to work through the template sections 0-7 to generate a portfolio document that meets your needs.
3. Provide portfolio details replacing all pink text prompts.
4. When the document is final, “select all” in your text processing program and change the document text color to black.
5. Use the checklist provided at the end of this guidance to make sure you’ve included everything.

We hope that this guidance helps you prepare a document that defines the standards and criteria for a successful portfolio document. The template is provided to help facilitate the process. It includes sections for Country Offices and Regional/Global Programmes to fill out with tight text limits to focus on the essential, based on the idea that format drives content.

Questions? Contact the secretariat of the Portfolio Acceleration Committee (PAC) – BPPS’ Strategic Innovation Unit & Quality and Impact Hub.

Key terms

In this document we use the following terms as defined below.

- **Systems approach** is an approach to complexity, based on the dynamic, emergent and interconnected nature of many of today's most vexing development challenges.
- **Sense making** [protocol] is a process that enables teams to reflect on their current portfolio, intending to assess coherence, identify synergies & generate new interventions, and maximize and speed up impact and effectiveness of their work.
- **Adaptive management** is a process of evolving strategy, work, and resourcing in an adaptive and real time manner, as context and learnings evolve.
- **Discovery** is the process of uncovering something that was previously unknown or unseen.

Key concepts

What is a portfolio?

A UNDP portfolio is a set of interconnected interventions that work together to deliver strategic development impact. It is designed, managed, monitored, and evaluated under a single, integrated, and dynamic operational framework.

What is not a portfolio?

A collection or thematic aggregation of projects is not a portfolio[1]. Projects do not add up to a portfolio if there is no collective systems transformation objective nor clear underpinning systems synergies that shape and integrate efforts across all projects.

What advantages does a portfolio bring?

Portfolios are designed for system level challenges, leveraging intersectionality. They work towards impact at a high level and contribute to one or more United Nations Sustainable Development Cooperation Framework (UNSDCF)/Country Programme Document (CPD) outcomes, Regional Programme Document (RPD) outcomes or the Strategic Plan. Organizationally, a portfolio can house multiple implementing partners under a single portfolio board thereby reducing the transaction costs on developing multiple project documents. Portfolios are not classified as NIM or DIM as some Multi-

[1] Some may have experienced working under an old UNDP portfolio modality outlined in the Formulate Programme and Projects document dated 5/6/2018. This portfolio approach has significantly evolved and has been further strengthened in the new policy and this guidance.

year work plans under a portfolio may be nationally implemented while others could be implemented by UNDP.

Why are portfolios relevant to development?

Today's large-scale development challenges require adaptable mechanisms that can create synergies across different kinds of interventions to deliver large-scale transformation. This is what a portfolio is designed to help achieve.

At what level does a portfolio operate in a UNDP?

At the country level

1. Portfolio's intended results sit between CPD outputs and CPD outcomes Portfolio delivers across multiple CPD outputs under multiple CPD outcomes.
2. Portfolio delivers across multiple CPD outputs under a single CPD outcome.
3. Portfolio delivers a new CPD output under UNSDCF outcomes.

At the regional level

4. Portfolio delivers results across multiple RPD outputs under single of multiple RPD outcomes

At the global level

5. Portfolio delivers results across multiple SP outputs under single or multiple SP outcomes

Key abbreviations

CPD	Country Programme Document
CSO	Civil Society Organizations
DIM	Direct Implementation Modality
QIH	Quality and Impact Hub
ERM	Enterprise Risk Management
HQ	Headquarters
IGO	Intergovernmental Organizations
IP	Implementing Partner
M&E	Monitoring and Evaluation
MEL	Monitoring, Evaluating, and Learning
NGO	Non-Governmental Organization
NIM	National Implementation Modality
POPP	Programme and Operations Policies and Procedures
PSRC	Portfolio Shared Results Committee
RBB	Results Based Budgeting
RBM	Results Based Management
RPD	Regional Programme Document
RF	Results Framework
SIU	Strategic Innovation Unit
SSC/TrC	South-South and Triangular Cooperation
ToC	Theory of Change
TOR	Terms of Reference
UNSDCF	United Nations Sustainable Development Cooperation Framework

SECTION BY SECTION
(0-7)

PORTFOLIO DOCUMENT TEMPLATE GUIDANCE

0. Summary

This section in the portfolio document helps provide an executive snapshot of the portfolio. It highlights key aspects such as portfolio outcomes, total resources required, strategic partners, and signatories to the portfolio document.

Tip

- Leave this section of the template to last, once you've refined all other sections. This will ensure that the summary is coherent with the agreement details.
- Implementing Partners (IP) may be added as the portfolio is implemented.
- IPs may also exit the portfolio as the portfolio is implemented, as long as they have satisfactorily delivered the results they were accountable for.

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FAQ

Who signs what?

The portfolio document is approved by the LPAC. UNDP and the Implementing Partners (see policy on Select Implementing Partner (IP)) sign the portfolio document. Signature/approval of the IP is secured as per the policy on Appraise and Approve.

1. Theory of Change

This section in the portfolio document presents the justification, the hypothesis, and underlying logic of portfolio design and outlines what UNDP with partners will do to address the development challenge.

Tip

- Review the Strategic Innovation Unit's Portfolio Primer (link)
- Remember that your understanding of the challenge will evolve over time and that your analysis and ideas will need to be updated as you learn.
- A robust Theory of Change (ToC) is built through different kinds of activities and inputs, from participatory and critical discourse to ethnographic fieldwork, to data and political economy analysis.
- A good ToC is more like investigative journalism than a peer-reviewed journal contribution.

FAQ

How is a portfolio Theory of Change different from a project one?

The key difference lies in the level of complexity these instruments are designed to address. Projects are well suited for bounded and familiar challenges. They tend to benefit from a ToC built on linear causality, identifying a predictable pathway toward a desired output. A portfolio, however, is designed to address complex, systems-challenges where change is emergent and dynamic, defying linear causality or predictability. In other words, a portfolio ToC focuses more on "discovering" successful pathways, rather than following a predetermined, singular pathway.

Do I need to run a separate ToC process?

No. The ToC emerges as an integral part of the portfolio design process. Look to your Strategic Report for relevant elements to include in the portfolio document template.

What is the role of a ToC in operating a successful portfolio?

A ToC is a description of the underlying hypothesis and the dynamics through which we intend to trigger change in a particular context. It also provides an initial baseline for the team and evaluators to understand its analytical and propositional underpinnings. The ToC should be revisited regularly as learnings emerge and should be thought of as a living document that captures the "how" of change and adjustments made along the way.

Key steps & elements

The following steps happen during the portfolio design phase.

1. Explore: Review the country programme's Theory of Change (ToC) which is derived under its United Nations Sustainable Development Cooperation Framework (UNSDCF), the central UN-wide planning tool at the country level. This provides the framework within which to position the portfolio.
2. Initiate: Launch a portfolio design process. This is an opportunity to build a shared understanding of the challenge-space and begin to define the opportunity for change and UNDP's role in unlocking it. A portfolio can be designed under the approved and current Country Programme Document (CPD), or in anticipation and support of the design of a new one.
3. Expand: Use the Strategic Report (link) generated by the portfolio design process to shape a working narrative for change with key questions. Socialize these ideas within the office and among partners to further hone in on critical insights. Expand your engagement to include donors, partners, stakeholders, beneficiaries, and possible 'unusual' partners.
4. Examine: Augment your thinking by digging deeper, structuring your developing hypothesis. Articulate the intent, narrative and urgency for change; the political and economic risks and opportunities; where and how to start shifting the system; risks and assumptions to monitor; and other critical elements underpinning the portfolio.
5. Construct: Build an expanded ToC that brings together your analysis, propositions, and assumptions. Use this to help prepare your portfolio document template.

The following step happens regularly throughout the operationalization of the portfolio.

6. Revisit: Explore the ToC during each of the portfolio's sense-making sessions. Monitor how the system is reacting to the interventions and revisit assumptions and concepts. Need-be update your ToC to reflect learnings. Document evolutions to help uphold the portfolio course of action to the team, board, partners, stakeholders, and evaluators.

When preparing your Portfolio Document, provide the following:

1.0 Summary

This is the high-level narrative for change- what is the challenge, what is the opportunity; and how might UNDP contribute to trigger change? It is divided into the following three discrete parts that work together to provide a comprehensive summary. In the spirit of format-drives-content, each section has a tight character limit to help focus descriptions to the most critical highlights.

1.1 Development Challenge (500 character limit)

Describe the development challenge that the portfolio seeks to address, and how it applies to national/regional/global development priorities of all participating countries, as applicable.

- Why does this issue matter? How does it affect people[2], communities, and the environment?
- What are the social, institutional, technological, political, cultural, economic, and environmental factors shaping this challenge?
- What are potential underlying shifts that might enable broader change?
- What are the risks and opportunities of the challenge?
- Why now, what is the urgency of change and window of opportunity?

1.2 Description of Direction of Change (500 character limit)

The central element of the ToC is to articulate how the portfolio might contribute to delivering transformative change. Consider:

- What does success look like? What does it look like in the next 6 months vs in 5 years?
- What underlying shifts would achieving the portfolio's intent entail? Use both quantitative and qualitative descriptors of what you think change will look like.
- What are the possible unintended (positive and negative) consequences of the portfolio?
- What kind of change does this imply for key elements of the system (legislation, capacities, structures, value chains, policy, etc.)?
- What kinds of partnerships and collaborations might change entail? What are other actors doing? Look at unusual actors to expand your horizon.
- Remember that change can be highly unpredictable. Build a ToC that allows for the discovery of multiple change-pathways.
- What assumptions have been made in thinking about enabling change?
- Where and how might the portfolio start working?

Given this, where, or on what issues will you need to build momentum around to help support a shift towards change? This will help you design your portfolio results framework.

1.3 UNDP portfolio contribution (500 character limit)

Describe UNDP's role and contribution via the portfolio in the two subsections below. How will UNDP contribute to this change? Given this, consider what are some key learning questions to pursue? This will help you design your portfolio results framework.

- Briefly describe the portfolio's unique contribution to the challenge. Consider how the portfolio might contribute to improving on a challenge-area. How is UNDP's contribution complementary (or adds value) to other initiatives in the same problem

[2] taking into consideration the Leave No One Behind (LNOB) principle

space? Note that a portfolio might also contribute to addressing a challenge in ways that CPD has not identified.

- Briefly describe the portfolio's contribution to the UNSDCF/CPD. Describe how the portfolio will contribute to the CPD outcomes, and if not within CPD, how it contributes to UNSDCF outcomes. What are the major risks and assumptions that need to be carefully monitored?

Remember that you will be continually revisiting and improving your ToC as portfolio Monitoring, Evaluation, and Learning (MEL) helps you discover new evidence, ideas, and opportunities for change.

Annex 8 Extended Theory of Change (optional)
You can annex your extended ToC to the portfolio document

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For more guidance

TOC guidance: ToC in Complex Settings (applicable to projects, portfolios, programmes)

2. Portfolio Results Framework

This section in the portfolio document defines the portfolio's expected results and how they help achieve Country Programme Document (CPD) outcomes/outputs.

Tips

- The results framework is a go-to document that's useful in reminding everyone of the portfolio's objectives.
- The results framework is a derivative of your Theory of Change, so keep those two documents coupled.
- Results are also about co-defining with partners and stakeholders the ambition level of a portfolio.
- Remember, a results framework is also an instrument that helps feed into corporate reporting. Given that this is a new instrument, be prepared to help bridge portfolio results and existing corporate result reporting requirements.

FAQ

How does a portfolio results framework differ from a project one?

There are 4 key differences.

- Firstly, a portfolio results framework operates at a higher level looking for total results generated by all interventions in a portfolio.
- Secondly, a portfolio results framework is built around three suggested categories: systems change, portfolio momentum, and portfolio learning.
- Thirdly, there are no predetermined, annual results targets for the full duration of the portfolio, as the pathway to systems change is neither predictable nor linear. Targets will be set on an annual basis and approved by the portfolio board, for each subsequent 12 month period of work.
- Fourthly, any adjustments to the targets during the year will be discussed and agreed at the PSRC.

Key steps & elements

1. Explore your Theory of Change (ToC). What are the outputs that you are working towards? What are the categories of output and the intermediate changes that you would expect to unlock?
2. Talk to partners and stakeholders. Share your ToC and your thinking about results. Explore each other's ideas and interests and build convergence.
3. Design a Results Framework. This defines the kinds of outputs that the portfolio seeks to achieve. It is a critical instrument that helps the portfolio team, donors, and stakeholders keep track of what they are working towards and what matters.

4. Use your Results Framework regularly to activate learnings. Are you moving in the right direction? Use this in conjunctions with your Monitoring, Evaluation, Accountability and Learning processes (see the next section, section 4).
5. Revisit your Results Framework when your ToC changes.

Corporate reporting

The CO will need to ensure that there is alignment between portfolio & corporate reporting structures. Any additional resources needed to ensure this alignment should be accounted for in terms of staff resourcing at the onset of the portfolio initiation process.
It is important to remember that portfolios are positioned at the level of CPD/RPD outcomes/outputs and corporate reporting (ROAR) is against CPD/RPD/SP outcomes/outputs. As such the two are well aligned.
Reporting should happen at least once a year against the agreed portfolio results framework. All IPs will provide inputs to the report based on the MEL protocols to be consolidated by the Portfolio Manager.

When preparing your Portfolio Document, provide the following:

Results Framework

The Results Framework template has a general hierarchical organization to it.
The top portion relates to the overarching portfolio objective. What is it working to achieve? And connecting that explicitly to UNDP's in-country mission. How is the portfolio contributing to the Country Programme Document (CPD)/RPD/SP?
The bottom half of the framework is divided into three output categories. These too, broadly suggest a sequence (from bottom to top): "Portfolio Learnings" helps build "Portfolio Momentum" helps unlock "Systems Change".

Portfolio Intent[3] (100 character limit)

Describe the change the portfolio is working towards. This is the "north star" for all the portfolio's decisions and activities. As you iteratively design and implement the work of the portfolio, a better understanding of how to improve all aspects of the portfolio will emerge. Combined, these learnings and adaptations continually work to improve the alignment of efforts to ensure the portfolio meets its objective.

Portfolio Contribution to CPD/RPD/SP (500 character limit)

The Country Program Document (CPD) is the link between the Country Office effort and the national priority efforts. As a derivative of the United Nations Sustainable Development Cooperation Framework (UNSDCF), all connections to the CPD are

[3] in line with Portfolio Initiation Framework process

automatically connected to the UNSDCF. Describe how the portfolio contributes to CPD outcomes. You can describe this in narrative form (leveraging the ToC "UNDP portfolio contribution" description) and/or reference links to existing CPD output descriptions.

For Regional Portfolios: Skip "portfolio contribution to CPD"

Make sure to

1. Identify the level at which the portfolio intends to operate (vis-à-vis CPD outputs and outcomes). At the country level they are:
   - Portfolio's intended results sit between CPD outputs and CPD outcomes.
   - Portfolio delivers across multiple CPD outputs under multiple CPD outcomes.
   - Portfolio delivers across multiple CPD outputs under one CPD outcome.
   - Portfolio delivers a new CPD output within the UNSDCF

2. Corroborate the narrative with key quantitative data and evidence where possible. Consider using a Strategic Plan Output Statement/ Indicator to help describe the immediate outcome.

As the portfolio work evolves, it is possible that new and unexpected portfolio contributions emerge. As such, it is important to update the contributions the portfolio is making in meeting the UNSDCF/CPD objectives constantly.

Portfolio Results

It is suggested that a Results Framework is designed around one output statement (System Change) and two (Portfolio Momentum and Learnings) results categories.

It is important to note that IPs are accountable for designated System Change outputs (or shifts) and in doing so carry out activities that contribute to portfolio momentum and learnings.

The Results Framework needs to consider the current UNDP results architecture and leverage UNDP's Strategic Plan output indicators when possible. Clearly, discussions with partners and stakeholders will help shape the final structure and categories, but for this guidance, we suggest portfolios consider the following three categories:

1. System Change

It's difficult to measure large-scale change. There is rarely a direct, simple correlation between actions in a portfolio and changes in the world. More importantly, the broader change that a portfolio seeks to unlock may come with a delay. But what a portfolio can focus on is in observing changes in the underlying dynamics of a challenge. What are three shifts in a portfolio's challenge that would help speed up change? Perhaps these might be a change in policy, a change in business practices, or a change in budgeting? As key shifts, they are not the long term change the portfolio aspires to, but the intermediate and critical shifts that help unlock new opportunities towards broader change. You can find these shifts in your ToC and transpose them directly here.

Output statement (Shifts):

Identify and name the shifts that the portfolio is working towards. These are shifts that the ToC has identified as potentially central to unlocking change.

Indicator: Identify multiple potentially useful indicators[4] to help monitor and evaluate progress in the specific area. We suggest taking an Iceberg approach to layering multiple indicators. See guidance on Iceberg here.

Baseline: Identify the selected indicator's current data points.

End Target: Identify the target that the portfolio aspires to reach at the end of the portfolio. It is set at the beginning of the portfolio and revisited during board meetings based on portfolio learning and adaptation.

Annual Targets:

Leverage your sensemaking session (see MEL section) to help inform the trajectory of the portfolio. Use this to help the IP make an informed choices as it sets its annual targets aligned with the agreed multi-year work plan. These targets are approved by the portfolio board.

Narrative vs KPI

You can also choose to capture system change through a more comprehensive narrative (rather than indicators) as long as long as that narrative is rooted in robust evidence

2. Portfolio Momentum

This category of results is generated from the aggregate of IP activities.

Large-scale system transformation does not happen overnight, it happens gradually through a buildup or momentum. But momentum is fickle. Akin to the calm before the storm, it is hard to measure but an inescapable sign of change to come. Especially in the

[4] UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audiences clearly understand the results of the project.

early days of a portfolio, the capacity to generate momentum is a critical indicator of the potential for change that you might generate. This might be visible in growing social chatter, media attention, political will, partner's interest, or resource mobilization. Positive, growing momentum can lead to critical tipping points that unlock the dynamics of change. What are a few critical dynamics you want to keep a close pulse on? Include those in the Results Framework.

Result area: Identify and name the type of momentum that might be critical to the long-term success of the portfolio. Consider tracking momentum in Political, Social, and Investments categories.

Indicator: Identify potentially useful indicators to help monitor and evaluate progress in these specific areas.
Momentum indicators and target examples could include the following example:

Relevant political momentum
(could be further divided into Global, Regional, National, and Local)
- Source: Independent analysis of government speeches, Op-eds, policies, reports, appointments
- Goal of momentum assessment: overall improvement trend that suggests momentum in support of portfolio objectives.

Relevant Media interest
(Could be further divided into social media and traditional media source)
- Source: Independent media analysis report
- Target: overall improvement trend that suggests momentum in support of portfolio objectives.

Relevant resource mobilization
- Source: UNDP finance department, self reporting
- Target: overall improvement trend that suggests momentum in support of portfolio objectives.

Baseline: Identify the selected indicator's current data points. This might include start date financing available, or portfolio social media presence.

Means of verification:

This operates on the basis of a yes or no to the question "has the portfolio management team submitted and had the board approved a semi-annual Portfolio Momentum Report?"

This report need not be long but should include separate sections, one for each of the defined momentum areas as outlined in the Results Framework. Each section should articulate what momentum has been generated on the specific indicator across all IP work over two timelines 1) momentum generated during the most recent report period and 2) momentum generated over the full duration of the portfolio. The report should include the following in substantiating its claims:

- quantitative and qualitative data where and when available
- narrative format where and when useful as long as long as that narrative is rooted in robust evidence

The Portfolio Momentum Report should also include observations about momentum generated by the portfolio that may fall outside the original Results Framework defined momentum categories. In these cases the report may make reccomendations about updating the results framework to reflect these new findings.

3. Portfolio learning

This category of results is generated from the aggregate of IP activities.

While there is broad recognition that today's most vexing development challenges are complex, there is much to be discovered in both the method of systems work, and in policy areas that are underpinned by complexity.

Result area: The learning category is broken down into three different, predetermined areas, that operate at different scales.

- 3.1 "In portfolio adaptation" relates to the learning in how the portfolio is managed and governed.
- 3.2 "In systems transformation" relates to the learning in the theory and methods of portfolio work that are more universally applicable.
- 3.3 "In policy area" relates to the learnings that are applicable to similar policy challenge areas elsewhere.

Indicator: This operates on the basis of a yes or no to the question "has the portfolio management team submitted and has the board approved a semi-annual Portfolio Learning Report?"

This report need not be long but should include three sections, one for each of the three learning areas (3.1-3.3) outlined above. It should articulate what was learned and what changes in the portfolio were made based on those learnings in 1) management and governance of the portfolio 2) the overall systems change approach being used and 3) policy area and insights that might change how the portfolio is conceptualizing the policy area.

For your MEL process, be sure to capture data, stories, and other evidence to help corroborate the scale and rate of progress being generated in your output categories.

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PORTFOLIO RESULTS FRAMEWORK

Portfolio Name :	

Portfolio Intent *s the portfolio working towards; what is its "North Star" statement?)* *max.100 characters*	**Portfolio Contribution to CPD** *(incl. UNSCDF/CPD Outcome & CPD Output, to be updated as portfolio* *max. 100 characters*

Portfolio Results	**Are we seeing progress, where**	**Indicator**	**Baseline**		**End Target**		**Means of Verification**
			Value	**Year**	**Value**	**Year**	
System Change: *(As observed in shifts that the Theory of Change has identified as keys to systemic transformation.)*	**1. Output:** (Shift)	**1.**					
		2.					
		3.					
	2. Output: (Shift)	**1.**					
		2.					
		3.					
	3. Output: (Shift)	**1.**					
		2.					
		3.					
Portfolio Momentum: *(Underlying momentum on key dynamics central to the success of the portfolio.)*	**4. Momentum:**	**1.**					semi-annual Portfolio Momentum Report approved by the Project
		2.					
		3.					
	5. Momentum:	**1.**					semi-annual Portfolio Momentum Report approved by the Project
		2.					
		3.					
	6. Momentum:	**1.**					semi-annual Portfolio Momentum Report approved by the Project
		2.					
		3.					

Portfolio Learning: *(New knowhow instrumental to the success of the*	**In policy area**	Submittal & board approved semi-
	System	Submittal & board approved semi-
	Portfolio	Submittal & board approved semi-

For more guidance

POPP guidance: See suggested Momentum indicators

3. Integrated Monitoring, Evaluation & Learning (MEL)

This section in the portfolio document outlines the portfolio monitoring, evaluation, accountability and learning (MEL) processes that help support real-time course correction and portfolio impact.

Tips

- Think of MEL as the portfolio's central nervous system. It helps sense, process, and adapt the portfolio to its environment.
- Build your overall MEL approach before you initiate your portfolio.
- Build your MEL approach in collaboration with your extended brain trust (board, management, partners, stakeholders, etc.)
- Actively use MEL to stimulate your strategic discussions. Revisit your underlying assumptions regularly and, need be, improve your MEL approach based on experience.

FAQ

What is MEL?

MEL stands for Monitoring, Evaluation & Learning. It refers to the structured routines that help organizations and portfolio teams learn and adapt, track progress and impact, and be accountable for the work they do.

How does MEL in governance and management differ?

Generally speaking, MEL activities are less frequent and more formal in a governance context. This is about taking a broad step back and making necessary course adjustments to the underpinning logics of the portfolio.

In a management context, MEL activities are more frequent and more informal. They are intertwined with general principles of good management and are about being adaptive to shorter term changes.

What is the difference between "learning loops" in MEL and "systems learning" in the Results Framework?

Learning loops are about a team's continual improvement process within the MEL process. Systems learning is about the science of delivering systems transformation (as per Results Framework).

Key steps & elements

1. Explore your Theory of Change. What are the key intermediate changes that you would expect to enable in portfolio objectives?

2. Design the Monitoring and Evaluation processes. This allows the portfolio governance, management and stakeholders to learn and adaptively manage discoveries and opportunities maximally towards the portfolio's objective. What are the key learning questions for the portfolio? What are portfolio ToC assumptions and strategic risks and assumptions to be monitored?
3. Adopt a cadence of work, both within the management team and the board, that integrates the MEL approach as native to its everyday way of working.
4. Leverage MEL outcomes to help improve and report on your work.
5. Revisit and update your MEL approach regularly.

MEL serves 3 functions:
- Continual learning and adaptation
- Sets the ground for reporting and accountability
- Capturing UNDP contribution to system change and the UNSCDF Outcome

A Monitoring and Evaluating process (commonly referred to as M&E) helps you observe, measure and reflect on progress made in meeting the Results Framework objectives.

Learning

The success of a MEL approach will be contingent on the portfolio's extended governance and management team's capacity to learn and adapt as a collective. This depends on many factors, including the curiosity, drive to improve, trust and sense of psychological safety of all involved. Having a few clear portfolio level research questions can also help support your MEL process and the extended team's capacity to learn. We recommend portfolios identify a limited set of research questions to help them with their MEL process. These might include:
- What are the dynamics in our system and what keeps it in place?
- How may the system change? What are drivers, agents of change, trends and opportunities?
- What positions or interventions can we take to shape or contribute to change?
- Can we observe weak signals that might indicate changes in patterns or suggest alternative structures, power and mental models?

Learning loops (and frequency)

The L, or learning, in MEL is evidenced in the adaptation that emerges from the interaction between the M&E process. This interaction is referred to as a "learning loop", a feedback mechanism that operates across the portfolio's think-do-achieve continuum. Learning loops should happen at regular intervals throughout the lifespan of a portfolio.

Because portfolios are integrative approaches to development, it is important to review all portfolio elements in the context of the whole portfolio. We do not recommend running separate MEL processes for different outputs, as this is not in alignment with the governing principle of a portfolio.

In your MEL process be sure to capture data, stories, and other evidence to help corroborate the scale and rate of progress being generated in your results categories.

Monitoring, Evaluating, and Learning process

The MEL process is structured around: 1) key activities, and 2) the frequency of those activities. The overall MEL approach should include a well balanced and complementary set of activities along a continuum of high, medium and low frequency. Activities such as Sensemaking operate as anchors to trigger a series of related MEL-related outcomes (for example: populating the Results Framework, tracking progress, and need be updating the Theory of Change).

The MEL template is prefilled with a recommended default. However, Country Offices should customize the spectrum and frequency of activities necessary to meet their needs.

Accountability

Ensure that all MEL activities capture the evidence for IP accountability and portfolio results, and transparency in portfolio management. This means capturing evidence for your results framework, documenting transparency of decision making, and evidencing that resources have been used effectively and in line with prevailing rules and regulations.
Keep in mind that systems change does not follow linear, causal logics of change. This is evidence in the interconnection between results framework and Multi-year work plans. Unlike a project modality, in a systems portfolio, there is no direct linear correlation between an area of work and an area of results. Results in system learning, for example, are in part generated through the experience of delivering in the systems change results category. As such, accountability for results should always be guided by the high-level portfolio objective. Accountability in the Multi-year work plan is towards supporting that broader integrated objective through a transparent and effective use of resources.

When preparing your Portfolio Document, provide:

MEL activities (suggested)

It is suggested that the portfolio MEL process be structured around the following key activities:

Activity	Purpose & summary	Expected outcomes
Sensemaking workshop (1-3 days)	- Ensure the portfolio is making progress towards its stated purpose. - A structured strategic portfolio review in the context of other development interventions of the Country as well as current country, regional and global development. The workshop builds pathways for reporting to track progress and support learning and recommendations.	- Track CPD/RPD/SP results progress - Track and update the Theory of Change - Track possible portfolio impact and UNDP's contribution to it - Monitor & Manage Risks - Update Risk Register - Review, reframe, and course Correct. - Update and populate Results Framework
Portfolio review (2 - 4 hours)	- Ensure day-to-day activities help support the broader objectives. - A multidisciplinary, semi structured portfolio review that provides an opportunity for a comprehensive discussion and evaluation of the work in progress.	- Track portfolio progress - Monitor & Manage Risk - Review & Course Correction
Team check-in (1 - 2 hours)	- Ensure day-to-day operations are running smoothly. - Informal daily meetings to ensure the team is doing well and that there is clarity on what is happening next.	- Monitor & Manage Risk - Review & Course Correction
Adaptation	- This activity is an integral part of all the above portfolio activities. - Ensuring that learnings translate to necessary portfolio changes and that those changes happen transparently and in line with prevailing rules and regulations.	- Course correction - Document key adaptation changes and their motivation

MEL frequencies (suggested)

It is suggested that the portfolio MEL key activities operate at the following frequencies:

Activity	Frequency	Who
Sensemaking workshop	Every 6 months (low frequency)	Board with Management team, Shared Results Committee, Stakeholders, Partners
Portfolio review	Quarterly (medium frequency)	Portfolio Management Team Possible also others, including stakeholders, donors, partners Of all the portfolio review sessions a minimum of 4 per year are run by the Portfolio Shared Results Committee
Team check-ins	Every week (high frequency)	Portfolio Management Team
adaptation	in conjunction with all MEL activities	Relevant activity assignee (Portfolio Board, Shared Results Committee or Management Team)

Evaluation Plan

Until the evaluation Guidelines are updated to account for the portfolio approach, business units are encouraged to carry out outcome and thematic evaluations to assess performance of the portfolio.

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For more guidance

Guidance: See here for more detailed guidance

4. PARTNERSHIPS & STAKEHOLDERS

This section in the portfolio document outlines the approach to partnering and stakeholder engagement critical for mobilizing a portfolio.

Tips

- Work actively to socialize your portfolio with partners and stakeholders. Explore the issue firsthand in the field, with them.
- Actively seek non-traditional partners and stakeholders. See what they have to say, how they think, and who they think you should talk to.
- Remember that portfolios are about discovery; they evolve dynamically. Partnerships need to mirror this and can't be transactional. A successful portfolio has active partners as collaborators and co-creators, not just funders.

FAQ

How are Partnerships & Stakeholders critical for the success of a portfolio?
Systems level change requires collective belief, followed by collective action. It is a challenge of large-scale collaboration. In this regard a successful portfolio will be underpinned by a robust, growing, and active social network of change. This differs from a transactional, more static, relationship between implementers, funders, and beneficiaries.

Key steps & elements

Step 1: Use your Theory of Change (ToC) to think about stakeholders and actors. Who has interest or influence in the challenge?
Step 2: Build dialogue with potential partners and donors about the portfolio.
Step 3: Road test your ToC with usual and unusual actors.
Step 4: Use your insights resulting from the portfolio process to expand & evolve your partnership and stakeholder approach iteratively.

Portfolios require the mobilization of people and resources towards common goals. Having a holistic strategy for partnerships and stakeholder engagement is central to an effective, sustainable portfolio.

When preparing your Portfolio Document, provide the following:

Partnerships (500 character limit)
Partnerships refer to formal agreements to achieve common goals.

This helps secure the necessary resources (both financial and non-financial) to mobilize a successful portfolio. It also signals to the development community UNDP's intent, and by virtue of that can help galvanize action. Explore this issue through the lens of the Theory of Change. What are the assumptions and expected results achieved by partners that are critical for the achievement of results of this portfolio?

Co-creation (500 character limit)
Co-creation refers to the process of discovering and responding to stakeholder needs with the active participation of people with lived experience. Creating with, rather than for, people and institutions ensures that the voice and interest of those involved helps shape solutions that affect them. This helps identify opportunities, manage risks, and mobilize people towards change by making them co-owners of the solution. How will the portfolio empower effective co-creation, for who and to what end?

Stakeholder Engagement
Stakeholders are people, groups or individuals who have either influence or interest in the outcome of your portfolio. While this can be misconstrued as being limited to formal, institutional stakeholders, the concept should be understood broadly. As such it may be more productive to define stakeholders in terms of different kinds of structurally relevant "actors" in the system you seek to transform.
Effective stakeholder engagement is critical to mobilize portfolios and the large-scale transformation they seek to achieve. Consider mapping actors using an interest-influence approach. Who are the traditional as well as non-traditional actors to potentially involve to realize this opportunity?

<u>Target groups & strategy</u>
Make sure you think carefully through the effective engagement strategies for each target group. Ensure that your work-plan and resourcing can help you secure the necessary capacity to engage effectively. Different actors, or target groups, are driven by different dynamics that will require different engagement strategies. What strategy will the portfolio take to identify and engage targeted groups?

<u>Other potentially affected groups</u>
This refers to ensuring that both the stakeholder mapping and engagement strategies are comprehensive; that silent, hidden, or un-empowered voices can be heard. Identify an engagement strategy to ensure that potentially affected people are aware of, and have access to, mechanisms to submit concerns about the social and environmental impacts of a portfolio (e.g., UNDP's Social and Environmental Compliance Review and Stakeholder Response Mechanism).

Engaging social & environmental concerns (500 character limit)
A holistic approach to partnership and stakeholder engagement can help evidence, and work towards, portfolio-related social and environmental concerns. There can, however, be many barriers to these concerns. What specific engagement mechanism will the portfolio adopt to ensure that there is trust, and psychological safety for all concerns to be voiced and understood?

South-South and Triangular Cooperation (SSC/TrC) (500 character limit)
South-South cooperation refers to development cooperation across countries in the Global South. When South-South Cooperation is supported with a Northern partnership, it is referred to as Triangular Cooperation. How will the portfolio build on these cooperation axes?

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5. RESOURCES

This section in the portfolio document outlines the resourcing strategy to help mobilize resources including intangible assets (See UNDP Policy on Intangible Assets) necessary for the long-term success of a portfolio.

Tips

- Managing new things takes considerably more time and effort than managing known things. Make sure you keep this front and center as your resourcing needs.
- While finances are a preoccupation of all, non-tangible assets like intellectual property rights etc. will be instrumental in the long-term success of a portfolio.
- Instill the idea of long-term resource flexibility with everyone early and often. This is a key organizing principle to the success of a portfolio, but difficult to instill retroactively.

Key steps & elements

Step 1 <u>Explore</u> your Theory of Change. What kind of resource envelope do you need to activate the portfolio? What are the estimated long-term needs?

Step 2 <u>Engage</u> partners and stakeholders with a preliminary resource picture. Is this aligned with needs and interests? Can this seed success?

Step 3 <u>Activate</u> your partners and stakeholders to help link to those who can further contribute to the portfolio's resource needs.

Step 4 <u>Build</u> a clear picture of how you will start, and secure flexibility in the long-term use of your resources. Link your budget to your Results Framework.

Step 5 <u>Secure</u> the necessary resources needed to mobilize the portfolio

Multi Year work-plan

A portfolio is driven by the pursuit of its long-term goals. How one reaches those long-term goals cannot be predicted in advance. The underlying logic of the multi-year work plan needs to reflect this. This means there needs to be clarity about what to do next and an informed sense of the long-term resource needs. As work evolves the next phase of resourcing and work will become clearer. As such, the detailed multi-year work plan will evolve organically, as work evolves. The Portfolio Shared Results Committee is an optimal forum to help ensure that various multi-year work plans coherently adapt as a set to best help advance the portfolio's results objectives.

When preparing your Portfolio Document, provide the following:

Resources Required to Achieve the Expected Results
Building on your theory of change, consider the key assets that are required to deliver a successful portfolio. Build on a Results Based Budgeting (paragraph 39-49) approach, inclusive of adequately estimated cost of UNDP staff time from the country, region or HQ level. Include the prorate costs of learning throughout the lifespan of the portfolio. This is the additional time and effort required to convert portfolio feedback into codified learnings. A good rule of thumb is that it takes five times more time to do new things compared to known things.

Consider the broader resource picture beyond tangible resources to include key intangible resources necessary for success (such as scale of collaboration, professional disciplines required, etc.). This helps create a comprehensive picture of resources to achieve the expected results.

Having a numeric high-level summary of a portfolio can be useful. It gives a sense of the portfolio's scale and breadth of work.

Overall Budget: Include the total portfolio budget in USD estimate for the portfolio's full lifecycle.

Other metrics: Include any other high-level figures that might be useful here.

> Tangible Resources (500 character limit)
> This is an asset that has monetary value and usually a physical form. This includes cash, property, and equipment. What are the tangible resources required to achieve the expected results and how do they support the Theory of Change?
>
> Intangible Resources (500 character limit)
> An intangible asset is an asset that is not physical in nature. This includes trust, goodwill, and knowhow. What are the intangible resources required to achieve the expected results and how do they support the Theory of Change?

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6. IMPLEMENTING PARTNER(S) ROLE(S) & PLAN

This section in the portfolio document outlines the approach to implementing partnerships and the role and plan of selected implementing partner(s).

FAQ

Who can be an IP for Portfolio?
The selection of IP to a portfolio is guided by UNDP policy on Select Implementing Partner.

Is it possible to have multiple IPs?
Yes.

Is it possible for an IP to work on more than one portfolio output?
Yes.

Key steps & elements

Step 1 Explore your Theory of Change (ToC). What kind of knowhow might you need to activate the portfolio? What kinds of implementation capabilities might you need?

Step 2 Identify an Implementing Partner(s) (IP) for the portfolio that helps you bring the necessary capacities to your portfolio.

Step 3 Team with your IP(s). If you have more than one IP, then work with all of them as a team. Start by defining the contours of a shared master work-plan and using that to inform IP-specific work-plans.

Step 4 Work with the IP(s) to help define the expected outcomes of their work, how that supports achieving the portfolio's shared results, and how that might evolve over time. However, as per the FFRs, only one IP can be appointed for each programme activity and will have full accountability for such activity.

Step 5 Develop an IP(s) team-approach to implementation that is outcome-based, rather than an activity-based. This means agreeing on the principles of resource flexibility and adaptive management.

Step 6 Ensure that there is a close and synergistic working relationship with the IP. Remember they are your team, so consider how to integrate them in your day-to-day work.

Multi-year work plans for multiple IPs

In defining multi-year work plans for IPs it is critical to start by first conceptualizing and structuring a master work plan. This describes the totality of portfolio efforts. This should be updated as work in the portfolio evolves; as portfolio learnings mature. In turn this should inform the cycle of work plan and target setting made on a rolling basis.

What are all of the areas of work needed and how do they come together coherently in support of the portfolio goals?

- Use the master multi-year work plan to inform the IP-specific work plans.
- Make sure to update the multi-year work plan as the master work plan evolves through the Portfolio Shared Results Committee (PSRC).
- Remember that each IP is accountable for a portfolio output, or system shift as per the Systems Change results category of the Results Framework.
- Lastly, keep in mind that while IPs deliver outputs, they carry out activities that contribute to portfolio momentum and learnings.

When preparing your Portfolio Document, provide the following:

- **Implementing Partner(s)**. The Implementing Partner (IP) works closely with the Portfolio Management team to help evolve the portfolio dynamically. All the IP multi-year work plans together will yield the joint results framework.

- **Portfolio Role.** Describe what portfolio output(s) or area(s) of work of an output each implementing partner is responsible for. Implementing partners can manage a combination or multiple outputs and/or output areas of work, but as per FFR," each specific programme activity" will be implemented by a single IP and will have full accountability for such activity. If the portfolio has only one implementing partner (DIM) then role is "all portfolio outputs"

Implementing Partner multi-year work-plan & budget

This is a summary overview of the portfolio's work plan and budget allocation.

1. The multi-year work plan shall have defined on a multiyear basis the portfolio outputs, planned interventions and budget, containing targets for the final year of the work plan.
2. Portfolio milestones are set annually on a rolling basis working towards the final portfolio output target.
3. Portfolio management team support the implementing partners, in the establishment of the annual milestones as part of the annual planning exercise.

4. IP will need to demonstrate, through the multi-year work-plan and budget, that they have sufficient resourcing and capacity to manage and capture their contributions to the Portfolio Momentum and Learning results categories of the Portfolio Results Framework.

This multi-year work plan is approved by the portfolio board. In subsequent years annual work plans with milestones are produced aligned with the multiyear work plan containing targets and cleared by the portfolio board.

All multi-year work plans together will yield the joint results framework and align with the summary work-plan & budget table. All anticipated programmatic and operational costs to support the portfolio, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the portfolio budget under the relevant areas of work. This includes areas of work that directly support the portfolio, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the portfolio need to be disclosed transparently in the portfolio document.

Please note that budgeting planned for areas of work won't necessarily correlate directly with the results framework areas. Results in the portfolio learning category, for example, are in part generated through delivering in the systems change results category.

PORTFOLIO MULTIYEAR WORK PLAN (MYWP) 1

Portfolio Name	:		**Quantum Portfolio No.**	:
Implementing Partner (1)	:		**Quantum MYWP No.**	:
Implementation Modality	:	[SELECT IMPLEMENTATION MODALITY]		
Risk Management (Refund Clause)	:	[SELECT THE REFUND CLAUSE (Please see Risk Management Section for Government Entity (NIM) in para.15, UNDP (DIM) in para.7, CSO/NGO/Non-UN or other IGO with no signed SBEAA in para.18), or UN Agency other than UNDP and IGO with signed SBEAA in para.13.]		
Portfolio Results	:	***(System Change statement copied verbatim from the Portfolio Results Framework)***		

Portfolio Outputs *(shift statement, including contribution to Portfolio Momentum & Portfolio Learning)*	**Planned Interventions**	**Planned Y1 Budget (USD)**	**Indicative Yearly budget allocation (USD)**				**Responsible Party**	**Total Budget**		
			Y2	**Y3**	**Y4**	**Y5**		**Funding Source**	**Budget Description**	**Amount (USD)**
Output 1: Gender Marker: [SELECT GENDER MARKER]	1.1.									
	1.2.									
	1.3.									
	Sub-total Output 1									
Output 2: Gender Marker: [SELECT GENDER MARKER]	2.1.									
	2.2.									
	2.3.									
	Sub-total Output 2									
Output 3: Gender Marker: [SELECT GENDER MARKER]	3.1.									
	3.2.									
	3.3.									
	Sub-total Output 3									
	TOTAL									

This MYWP is an integral part of the Portfolio Document and is subject to all the provisions in the Portfolio Document, including the Legal Context and the Risk Management Sections. The implementation modality selected in the workplan will determine which specific legal provisions in the Risk Management Section will apply to each Implementing Partner. The option selected here will also determine the option in the Legal Context section that will apply to the Implementing Partner. The MYWP contributes to the portfolio results. Risks emerging from the implementation of the MYWP will be reflected in the portfolio risk register.

Agreed by:

UNDP	<*Name of* Implementing Partner>
<Name>	*<Name>*

Annex 7 "Implementing Partner(s) detailed multi-year work plans"

Please collate all work plans from all Implementing Partners.

It is highly recommended that the cover to this annex include a summary master multi-year work-plan that helps visualize how all IP work-plans come together.

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7. GOVERNANCE & MANAGEMENT

This section in the portfolio document refers to the Governance and Management of all portfolio assets including tangible and intangible resources, learning, opportunities, and risks.

Tips

- A portfolio is based on an adaptive governance and management model. This means that those involved need to have a predisposition to think creatively and dynamically. Make sure this is understood early and by all.
- Operating adaptively is contingent on having high levels of trust and good verbal and social skills across all involved. Make sure that factors in as you design your governance & management model.
- A portfolio is a highly integrated approach to development. As such, it needs to operate as a cohesive whole, not as a sum of parts. Make sure not to splinter activities or groups into separate domains.
- The core portfolio management team is an integral part of the organization's learning mechanism.
- The different work plans of a portfolio may be implemented by different actors, including UNDP, national government/IGO, CSO/NGO, or UN Agencies.

FAQ

What are some key features of the Governance & Management of a portfolio?
There are several, including:

- Portfolios can house multiple work plans and implementing partners under a single portfolio board.
- The Portfolio Board oversees, in an integrated way, the portfolio level results (Results Framework) and portfolio level risk and risk mitigation (Portfolio Risk Register).
- The portfolio is managed by a single integrated Portfolio Management Team with the active collaboration of a Portfolio Shared Results Committee composed of UNDP and the Implementing Partners.
- Portfolio design informs, and is informed by, implementation in real-time.
- Portfolios are managed adaptively; work plans evolve based on discovery.

How do the roles of the Board and PSRC differ?
The board focuses on the portfolio as a whole where as the PSRC focuses on IP work plan performance and needed adjustments during the year.

Key steps & elements

1. Determine how the work plans under a portfolio will be implemented. The implementation modalities will be determined by the partner typology selected for implementing the work plan (UNDP, government, etc.)
2. Review the portfolio's Theory of Change and results framework. What are some key implications for the design of the governance and management model?
3. Explore with partners and stakeholders success factors for the governance and management of the portfolio.
4. Identify the Portfolio Governance Board members.
5. Co-design the governing conditions for the adaptive management of the portfolio.
6. Approve the Terms of Reference (ToR) for the Portfolio Board, including outline the tasks of the Board and the frequency of the Board meetings

A portfolio functions under a governance and management arrangement. It benefits most from a highly **integrated governance and management model**. This is when the dynamics of governance, management, design and implementation are well aligned and integrated, without unnecessary fragmentation or barriers to the flow of information and knowhow.

A portfolio governance and management model has three (3) complementary building blocks: a Portfolio Board, a Portfolio Management Team and a Portfolio Shared Results Committee. Their roles and composition are outlined briefly below.

1. The Portfolio Board

The purpose of the Portfolio Governance board is to provide high-level strategic direction and steering for the design and implementation of the portfolio. The Board meets at least once a year, though it suggested that this happens two (s) times a year. A Portfolio Board has three categories of formal voting members:

- **Executive(s)**: Individual(s) who represent(s) ownership of the portfolio and chair(s) the Board.
- **Beneficiary Representative(s)**: This is an individual(s) representing the interests of those groups of stakeholders who will ultimately benefit from the portfolio. There can be multiple beneficiary representatives in the board.
- **Development Partner(s):** Individuals representing the interests of the parties concerned that provide funding, strategic guidance and/or technical expertise to the portfolio. In NIM, DIM, and CSO-implementation portfolios, this is typically the UNDP Resident Representative or Deputy Resident Representative. There can be multiple development partners' representatives in the board.

There is one Portfolio Board. The tasks of the Portfolio Board are as follows:

It provides high-level oversight of the portfolio, risk management and portfolio assurance. It approves the inclusion of new implementing partners at the time of portfolio approval as well as during the implementation, for contributing to portfolio results.

The portfolio board enjoys the authority to fold in ongoing projects with their respective implementing partners under the portfolio provided: the projects are aligned and integrated to the portfolio theory of change; they share a common portfolio results framework, they are integrated into an updated multi-year work plan approved by the respective implementing partner(s); and they secure agreements from the implementing partners on convening a portfolio board and the Portfolio Shared Results Committee.

The portfolio board approves the multiyear implementing partner work plan containing milestones. Portfolio milestones are approved yearly by the board, for each subsequent 12-month period of work.

The board assesses any major risks to the portfolio and related decisions/agreements on any management actions and adjustments. Also, the Portfolio Board assesses the results achieved at the portfolio level and contribution to CPD Outcomes and the portfolio objective.

The Portfolio Board also reviews how integration and intersectionality are pursued in achieving greater impact to the portfolio's objectives and the CPD outcomes.

In addition, the Portfolio Board identifies new partnerships for the portfolio based on the identified new policy spaces resulting from the portfolio implementation and to ensure sustainability, identify new resource mobilization opportunities.

The Portfolio board makes decision on suspension of and extension of the portfolio (not the individual work plans under the portfolio delegated to the Implementing Partners) subject to partner commitment and funding.

The Portfolio Board is required to meet at least once a year.

Portfolio assurance

The Portfolio Assurance, which is delegated to the UNDP CO staff, is the responsibility of the Portfolio Board. It supports the Board by carrying out objective and independent oversight and monitoring functions, as well as providing administrative support. This role ensures appropriate portfolio management milestones are managed and completed. Typically held by a UNDP Officer(s), Portfolio Assurance is to be independent of the Portfolio Manager or any UNDP led work plan (as per the Internal Control Framework).

2. The Portfolio Management Team

The purpose of the Portfolio Management team is to manage the day-to-day planning, coordination and administration of the portfolio and its resources. It reports to the Board and supports board members in effectively fulfilling their roles. A Portfolio Management team has two categories of individuals:

- **The Portfolio Manager(s)**: individuals who are responsible for the overall management and typically present key deliverables and documents to the Board for review and approval, including progress reports, annual work plans, adjustments to tolerance levels and risk register. It is generally highly recommended that portfolios are co-managed to ensure that they maximally leverage cross-CO capacity and don't become extensions of a single existing programme. A single manager model is possible if that individual comes from outside the CO program structure. The Portfolio Manager is responsible for organizing a Portfolio Shared Results Committee (PSRC) composed of UNDP and the implementing partners. Upon approval of the Portfolio Document, the CO will assign responsibility to manage the portfolio until the appointment/recruitment of a Portfolio Manager by UNDP.
- **Portfolio Team Members** are active collaborators in ensuring the operational success of the portfolio. Members may be appointed/sourced from the CO staff or be recruited, subject to availability of resources. In doing so, the personnel/staff who are part of the Portfolio Management Team should be separated from the team responsible for quality assurance of the portfolio, in line with the UNDP Internal Control Framework.

A Management team benefits from:

- A team that operates as an integrated unit. This is enhanced by co-locating the team. But it also requires ensuring the team members have complementary expertise and the social skills to work together with high trust.
- A highly integrated and dynamic partnership with the Implementing Partner(s). Design informs, and is informed by, implementation in real-time. This is supported by a highly synergistic relationship between the Implementing Partner(s) and the Portfolio Shared Results Committee.

3. The Portfolio Shared Results Committee (PSRC)

The PSRC is formed by representatives of all implementing partners, led by the portfolio manager or UNDP Senior Management (RR/DRR). As a team, the PSRC works collaboratively to review the implementing partners' work plans. In doing so, it actively contributes to collective portfolio learnings and shared results and facilitates the dynamic improvement of the portfolio and its associated work plans.

The PSRC is organized at least four (4) times a year with a strong recommendation for six (6) or more. The PSRC is responsible for taking corrective actions, including approving adjustments above provided tolerance levels, including substantive revisions (major/minor amendments) to

the work plans (including folding in of ongoing projects under the portfolio)[5], budget revisions, requests for suspension or extension and other major changes to the work plans (subject to additional funding partner/donor requirements).
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Governance in case of crisis

For level 1 crisis proposed governance arrangements apply. In case of Level 2 and Level 3 Crises, the functions of the portfolio board and the portfolio shared results committee can be performed by the Crises Board for timely decision making and necessary adjustments to address the immediate needs posed by the context.

Risks & risk register

The Portfolio Manager will also update the portfolio risk register, ensuring necessary risks identified in different work plans are tracked and that associated treatment measures are in place. Only moderate to high risk (internal and external) are mandatory to be captured in the register. Low level risks do not require further analysis or treatment.

Select keys to success

There are numerous principles and criteria critical to the success of a portfolio. They include:

- **Setting the budget threshold.** This is a critical tool for setting the right preconditions for the dynamic management of the portfolio. This is the envelope of flexibility that the board sets within which the management team can deviate from a predetermined path. This can be set both numerically (what percentage budget reallocation). It is important for the board and management team to set this at the onset of the portfolio and to revisit its calibration on a frequent and regular basis.
- **Frequency of review and learning.** It is critical to determine a cadence of work, both within the management team and the board, that integrates the MEL approach as native to its everyday way of working. See the Monitoring, Evaluation, and Learning section (section 3) for more guidance.
- **Target engagement.** An effective portfolio will require engagement with a broad spectrum of usual and unusual actors. These might include known donor countries and new business enterprises or communities. Effective engagement is built by 1) understanding those target audiences or actors and 2) designing an engagement approach that is most effective in responding to their needs.
- **Operating adaptively.** The success of a portfolio is predicated on the capacity to learn and adapt quickly to emerging change opportunities and risks. The portfolio change narrative becomes the critical north star helping navigate portfolio decisions. This requires a

[5] Subject to agreement of the implementing partner to contribute to the portfolio results framework and keeping the government coordinating agency informed of this change.

high level of trust and relationship-building across the extended governance and management team. Arguably, to a far higher degree than what is generally required in a project context.

When preparing your Portfolio Document, provide the following:

Portfolio Board

Standard text is provided. Please include the following

- Executives(s): Provide title (name optional). If co-chaired, provide both titles on separate lines.
- Beneficiary Representative(s): Provide title (name optional). Include all board representative titles, each one on a separate line.
- Development Partner(s): Provide title (name optional). Include all board partner titles, each one on a separate line.
- Portfolio Assurance(s): Provide title (name optional). Include all board partner titles, each one on a separate line.

Portfolio Management team

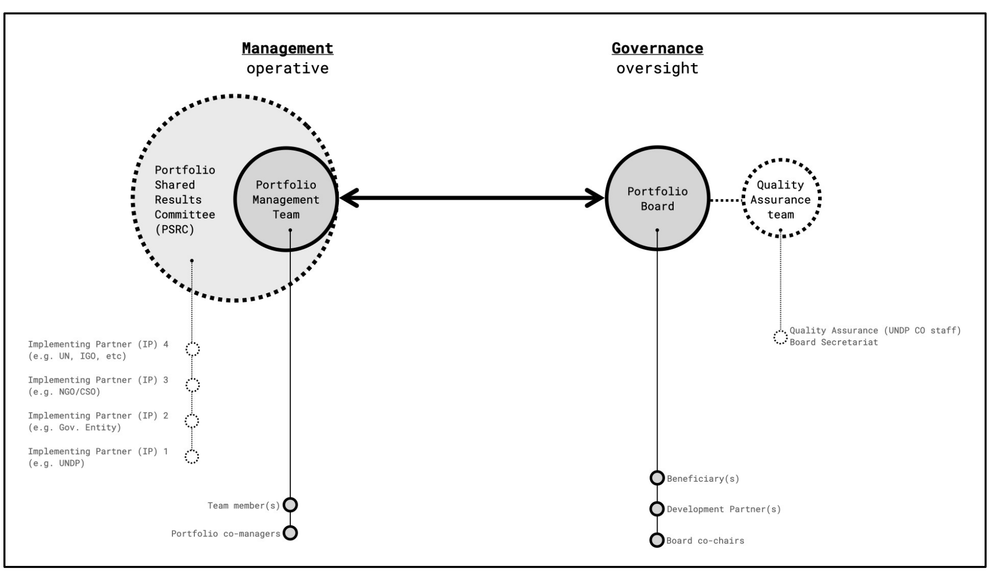
Standard text is provided.

Portfolio Shared Results Committee

Standard text is provided.

Governance diagram

Please provide a diagram of the portfolio governance and management model. While a suggested structure is provided below, please make sure to design your governance model to meet the specific context of your portfolio including the right legal context and number of implementing partners.



Annex 5 Portfolio Board Terms of Reference and TORs of key management positions

Please attach the relevant annex inclusive of the portfolio title.

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For more guidance

POPP guidance: Annex 5. “Portfolio Board Terms of Reference and ToRs of key management positions” UNDP Standard Terms of Reference for the Portfolio Boards.

X. ANNEXES

Completing a comprehensive Portfolio Document will require supporting annexes. Some are corporate requirements; others are to help provide more detail beyond the summaries of the template.

FAQ

How do I add annexes to the document?

Append them to the end of the template using the numeration below. You can add additional annexes as a portfolio might require or benefit from and change the order of them to best support your document.

REQUIRED ANNEXES

Annex 1 **Portfolio Quality Assurance Report**

Annex 2 **Social and Environmental Screening Template** including additional Social and Environmental Assessments or Management Plans as relevant.

Annex 3 **Portfolio Risk Register**. Use the portfolio risk register.

Annex 4 **Capacity Assessment.** Results of capacity assessments of Implementing Partner (including Partner Capacity Assessment Tool (PCAT) and HACT Micro Assessment)

Annex 5 **Portfolio Board Terms of Reference and TORs of key management positions.** The standard Portfolio Board TOR can be found here**.**

Annex 6 **On-Granting Provisions Applicable to the Implementing Partner[6].** On-granting clauses for non-UNDP Implementing Partners can be found in the PPM.

Annex 7 **Implementing Partner(s) detailed multi-year work plans.**

This provides greater detail on the implementing partner 1st year work plan, including budgeting per area of work. Include a cover to this annex with a summary master work-plan that makes visible how multiple implementing partners work and work plans work together as an integrated set.

SUGGESTED ANNEXES

Annex 8 **Extended Theory of Change (ToC)**

This is an extended ToC to complement the summary provided in template

Annex # *(add suggested/additional annexes using roman numeration)*

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[6] Applicable for non-UNDP Implementing Partner as Grant Making Institution facilitating on-granting.

FINAL CHECKLIST

Let's make sure that you have completed everything

Have you consulted with UNDP's Strategic Innovation Unit (SIU)?	✓
Have you applied UNDP's portfolio building process with SIU prior to compiling this document template?	✓
Have you held a Portfolio Sensemaking session?	✓
Have all of the document sections been completed (0-7)?	✓
0. Summary	✓
1. Theory of Change	✓
2. Results Framework	✓
3. Monitoring, Evaluation, Learning	✓
4. Partnerships & Stakeholders	✓
5. Resources	✓
6. Implementing Partner(s) role and plan	✓
7. Governance and Management	✓
8. Legal Context	✓
9. Risk Management	✓
Have you included all necessary annexes?	✓
Annex 1 Project Quality Assurance Report Annex 2 Social and Environmental Screening Template Annex 3 Risk Analysis Annex 4 Capacity Assessment Annex 5 Portfolio Board and key management positions Terms of Reference Annex 6 On-Granting Provisions Applicable to the Implementing Partner Annex 7 Implementing Partner(s) detailed multi-year work plans Annex 8 Extended Theory of Change *Other annexes?*	✓
Are you and your colleagues excited to start this portfolio?	✓