



LIFE-AR

LDC Initiative for Effective
Adaptation and Resilience

LIFE-AR

Principles, Standards and Benchmarks

A Reference Guide For Country Partners

Extracted from the LIFE-AR Standard Operating Procedures (October 2023)

A. About This Document

This document extracts the core Principles and Benchmarks from the LIFE-AR Standard Operating Procedures (SOP). It is designed as a reference guide for countries developing their National Platform Operating Procedures (NPOPs) and for any organisations or individuals delivering activities under LIFE-AR.

The LIFE-AR SOP was designed for the LIFE-AR Facility and signed off by the LIFE-AR Board in 2023. These set the governance, fiduciary, and operational standards for the entire initiative. The Principles and Benchmarks contained within it are universal, they apply to the LIFE-AR Secretariat, National Platforms, Delivery Partners, and Grantees along the entire delivery chain.

Key Purpose:

The *Standards* enable the effective delivery of LIFE-AR. In particular with consistent and transparent financial controls supported by compliance, risk management, and audit systems.

The Benchmarks provide the minimum standards against which each country's National Platform Operating Procedures (NPOPs) will be assessed through Empowerment Due Diligence before LIFE-AR funds are released.

B. How to Use This Guide

Countries and implementing organisations should use this guide to:

- Understand the non-negotiable principles that underpin all LIFE-AR operations.
- Review each Benchmark area when designing or updating their National Platform Operating Procedures
- Prepare for Empowerment Due Diligence assessments and support Risk Assessment
- Identify areas for strengthening through an Empowerment Action Plan
- Build a track record toward Enhanced Direct Access to Global Climate Funds (e.g., GCF and the Adaptation Fund)

I. PART 1: THE LIFE-AR PRINCIPLES

The LIFE-AR Principles are the foundational commitments that guide all aspects of the initiative. They were developed to ensure increased effectiveness of climate action, aligned with the SDGs, the Paris Agreement, the Sendai Commitments, and the Paris Declaration on Aid Effectiveness.

Principle	What It Means	Application for Countries
Principle 1: Work Together on a Shared and Equal Platform	LDCs and Development Partners implement LIFE-AR jointly, with governance responsibility firmly anchored at the National Platform level in each country.	National Platforms must ensure inclusive governance that brings together government, civil society, academia, and the private sector.
Principle 2: Integrated, Holistic and Ambitious Climate Planning Across Whole of Society	Support devolved, community-led participatory decision-making in all planning, design, and implementation activities.	Work plans must reflect community priorities and whole-of-society input, not only government priorities.
Principle 3: 70% Finance Flows to Local Communities by 2030	A shared, measurable target: at least 70% of LIFE-AR finance must support on-the-ground action in LDCs by 2030.	Country delivery mechanisms must be designed to devolve funds to the local level, building tracking systems to demonstrate this flow.
Principle 4: Work at the Pace of Individual LDCs	Each LDC develops its delivery mechanisms, governance structures, and institutional capabilities at its own pace, supported by LIFE-AR.	Countries are not expected to have fully developed systems from the outset. Empowerment Action Plans allow phased strengthening.
Principle 5: Leave No Country and No One Behind	All LDCs are invited to participate, with lessons and experiences shared across the community of practice.	Countries must ensure that vulnerable and marginalised communities, including women and people with disabilities, are included in decision-making forums.

The ‘Business Unusual’ Commitment

All LIFE-AR Participants commit to Business Unusual, doing things differently to achieve better results. This commitment is underpinned by:

1. Highest standards of financial and ethical conduct in all activities
2. Good practice governance, accountable ultimately to LDC citizen communities
3. Zero tolerance towards fraud, bribery, corruption, money laundering, and terrorism financing

4. Culture of transparency and openness
5. Effective management of risk
6. Effective compliance, not 'box ticking'
7. The smart use of audit for continuous improvement

II. PART 2: STANDARDS AND BENCHMARKS

The following Standards and Benchmarks apply across the LIFE-AR delivery chain (to the Secretariat, National Platforms, Delivery Partners, and Grantees). They are drawn from the LIFE-AR Code of Conduct (Chapter 1) and supported by detailed policies in subsequent chapters of the SOP.

Important: These benchmarks are the minimum required standards. Countries are encouraged to exceed them. The Empowerment Due Diligence process will assess National Platform Operating Procedures against these benchmarks before funding is released.

Standard 1: Anti-Corruption and Integrity

Core Requirement

- All LIFE-AR Participants must observe the highest standards of financial and ethical conduct.
- LIFE-AR has a policy of zero tolerance towards fraud, bribery, corruption, money laundering, and terrorism financing, and all participants must comply with the Anti-Corruption and Integrity Policy.

Benchmarks (Minimum Actions Required)

- Never engage in bribery or corrupt practices, nor make or accept facilitation payments.
- Regularly assess risks of fraud and corruption and other forms of corrupt or illegal behaviour.
- Verify the identity of people and organisations that LIFE-AR funds pass through, including ownership and control structures of legal entities.
- Undertake due diligence on all organisations engaged with LIFE-AR to ensure they share a culture of zero tolerance against anti-corruption.
- Put in place open budgeting, risk assessments, a whistleblower hotline, awareness training, record keeping, and incident investigation mechanisms.
- Conduct regular internal and external audits.

Standard 2: Ethical Conduct

Core Requirement

- All LIFE-AR Participants must adopt the highest standards of personal and organisational ethical conduct.
- Zero tolerance towards prejudice, intolerance, and discrimination on any grounds.
- LIFE-AR Participants are accountable to LIFE-AR stakeholders, and in particular citizens of LDCs and to finance providers.

Benchmarks (Minimum Actions Required)

- Place the interests of LIFE-AR ahead of personal, professional, intra-organisational and inter-organisational interests.
- Avoid situations and activities that may reflect adversely on LIFE-AR and its reputation or lead to actual or perceived conflicts of interest.

Standard 3: Safeguarding

Core Requirement

- Zero tolerance towards safeguarding violations.
- Commitment to gender equality and non-discrimination through all processes.
- No tolerance of sexual exploitation, gender-based violence and harassment (GBVH), abuse, bullying, or harassment in any form.
- Commitment to reducing the risk of exploitation, including forced labour, child labour, and other practices that undermine human dignity and rights.

Benchmarks (Minimum Actions Required)

- Adopt and implement robust, risk-based safeguarding policies and procedures as a minimum standard.
- Policies must cover induction and training, safer recruitment, health, and safety, GBVH, freedom of association, stakeholder and community engagement, and grievance and whistleblowing mechanisms.
- Take special measures to protect vulnerable groups including children and people with disabilities.
- Ensure resources, templates, policies, and procedures are widely shared and accessible across the LIFE-AR community.

Standard 4: Risk Management and Internal Controls

Core Requirement

- Develop and maintain a sound framework for the identification and management of developmental, business, and financial risk.
- Recognise that different stakeholders have different perceptions of risk and that risk must be managed collaboratively.
- Embrace innovation and experimentation, accepting that failure is an intrinsic part of improvement.

Benchmarks (Minimum Actions Required)

- Work collaboratively with all stakeholders to agree the significant risks to be taken in achieving LIFE-AR's strategic goals.
- All LIFE-AR Participants must report any potential or actual risks to their governing body and escalate incidents in accordance with escalation procedures.
- Governing Bodies must review their risk appetite and the effectiveness of their risk management and internal control systems at least annually.
- Reviews must cover all material controls, including financial, operational and compliance controls.
- Capture and share lessons learned from both failure and success.

Standard 5: Procurement

Core Requirement

- All LIFE-AR Implementors must procure goods, works and services in accordance with core principles: competition, value for money, equal treatment, non-discrimination, transparency, and accountability.
- Business Unusual Procurement focuses on transparency, inclusion, openness, and innovation.

Benchmarks (Minimum Actions Required)

- Procure in accordance with the highest standards of financial integrity and cost effectiveness.
- Practice open budgeting, giving citizens access to budget information and procurement plans.
- Simplify procurement processes and contract documents (e.g., tender notices, tenders, contracts).
- Publish open procurement data publicly.
- Adopt Open Contracting Global Principles, making outcomes of procurement contracts public.
- Use flexible and innovative approaches to tendering, including e-procurement.
- Focus on contract management on outcomes, not just process compliance.
- Use LDC-based suppliers where possible.
- Devolve procurement decision-making to the local level where appropriate.

Standard 6: Granting

Core Requirement

- All LIFE-AR Participants must award grants in accordance with core principles: competition, value for money, equal treatment, non-discrimination, transparency, and accountability.
- Business Unusual granting focuses on transparency, inclusion, openness, and innovation.

Benchmarks (Minimum Actions Required)

- Make grants in accordance with LIFE-AR Strategy and the highest standards of financial integrity.

- Practice open budgeting, providing citizens with access to grant plans and budgetary information.
- Simplify granting processes and grant documents.
- Adopt Open Contracting Global Principles, making grant outcomes public.
- Publish open granting data publicly.
- Use flexible and innovative approaches to competitive award of grants.
- Manage grants with a focus on outcomes.
- Simplify reporting using harmonisation, community-preferred methods, and a data-driven approach.
- Devolve decision-making to the local level.

Standard 7: Tax

Core Requirement

- Observe the highest standards of good international practice in managing and disclosing tax positions and paying all domestic and foreign taxes due.

Benchmarks (Minimum Actions Required)

- Manage tax filings accurately and in good faith.
- Be transparent in all dealings from a tax perspective.

Standard 8: Disclosure of Information and Transparency

Core Requirement

- Share knowledge and information using transparency to enhance impact, demonstrate results, enhance citizen feedback, and reduce the burden of transactional checks.
- There is a presumption in favour of transparency with the guiding principle that information should be disclosed unless there is a compelling reason not to.

Benchmarks (Minimum Actions Required)

- Disclose information promptly to enhance citizen and public scrutiny of LIFE-AR work.
- Facilitate rapid knowledge sharing to build lessons from both successes and failures.
- Ensure confidentiality or non-disclosure agreements do not restrict the ability to comply with transparency principles.
- All documents produced by LIFE-AR may be disclosed unless they fall within agreed exceptions (personal data, commercially sensitive, etc.).

Standard 9: Environmental and Social Sustainability

Core Requirement

- Promote responsible environmental stewardship and socially responsible development.
- Commit to seeking opportunities to deliver positive social and environmental outcomes and build climate adaptation and resilience.
- Assess environmental and social risks and impacts of all activities in a structured and ongoing way.

Benchmarks (Minimum Actions Required)

- Actively seek opportunities to achieve positive environmental, climate adaptation, and social impacts.
- Assess environmental risks using appropriate systems and methodologies.
- Work closely with stakeholder communities to understand and continuously improve the impacts of activities.
- Operate accessible and user-friendly grievance and complaints procedures that are addressed promptly.
- Disclose all information that citizens and stakeholders need to understand, assess, and scrutinise the impacts of activities.
- Apply as a minimum the International Finance Corporation Performance Standards on Social and Environmental Sustainability. -[IFC Performance Standards](#)

Standard 10: Equality, Diversity, and Inclusion

Core Requirement

- Value and promote equality, diversity, and inclusion.
- Zero tolerance towards discrimination on the basis of race, religion, gender, sexual orientation, age, physical ability, or any other grounds.
- Particularly value the perspectives of vulnerable and marginalised communities in LDCs who have historically been excluded from climate decision-making.

Benchmarks (Minimum Actions Required)

- Put in place appropriate equality, diversity and inclusion training and awareness mechanisms.
- Establish systems for confidential reporting of, and prompt responses to, discrimination and harassment.
- Use transparent, non-discriminatory, formal, and rigorous recruitment and selection processes for all positions, including governing body members.
- Ensure LDCs and vulnerable and marginalised communities are part of decision-making forums with appropriate support (e.g., translation, internet access).

Standard 11: Remuneration

Core Requirement

- Remuneration and incentives for staff of all LIFE-AR Teams must be sufficient to attract, retain, and motivate individuals with appropriate skills.
- Remuneration must be consistent with LIFE-AR's aims and the use of public funds.

- Remuneration must be in line with local practice and local rates.
- Follow principles of Business Unusual in being cost-effective and appropriate.

Benchmarks (Minimum Actions Required)

Standard 12: Expense Reimbursement

Core Requirement

- LIFE-AR is accountable for public funds. All expenses should be incurred wisely and only if necessary.

Benchmarks (Minimum Actions Required)

- Consider the use of virtual technology (video and telephone conferencing) as an alternative to travel.
- Consider value for money of available options when incurring expenses, including transport, accommodation, and meals.

Standard 13: Whistleblowing

Core Requirement

- Take malpractice and any form of misconduct very seriously.
- All LIFE-AR Participants must report suspected malpractice, misconduct, or wrongdoing.
- Genuine concerns can be raised without fear of retaliation.

Benchmarks (Minimum Actions Required)

- Put in place a whistleblowing policy and procedures consistent with the LIFE-AR Whistleblowing Policy, and an appropriate grievance mechanism.
- Provide regular whistleblowing training.
- Ensure anyone who raises genuine concerns can do so without fear of retaliation.
- Ensure all whistleblowing reports are taken seriously, investigated appropriately, and that confidentiality is respected.

III. PART 3: GRANTING CYCLE BENCHMARKS

These benchmarks apply to all stages of the grant cycle and are relevant to National Platforms and any Delivery Partners responsible for granting LIFE-AR funds.

3.1 Planning Stage

The plan ensures that all important issues affecting expected grant outcomes are identified and thought through in advance.

Standards:

- Public good
- Timeliness
- Efficiency

Benchmarks:

- The decision to use a grant rather than a procurement must be made and validated during the planning process.
- The plan must set out the size of grants, method for selecting grantees (including whether a competitive process is appropriate), and milestones from selection to completion.
- Plans must be published to provide a high degree of transparency to all stakeholders.
- Plans must support adaptive management to ensure outcomes are achieved.

3.2 Workplan and Budget

Standards:

- Timeliness
- Value for money
- Fair treatment

Benchmarks:

- Workplan and budget must be designed to best meet outcomes and deliver value for money.
- All potential delivery partners are treated fairly without preferential treatment.
- Grant opportunities must be published online.
- For competitive processes, opportunities must be advertised widely through multiple channels (posters, radio, government offices, NGOs, targeted invitations).

3.3 Empowerment Due Diligence

Before making a grant, the Grantor (*Any organisation awarding a grant with LIFE-AR funds*) undertakes Empowerment Due Diligence of the Grantee (*Any organisation receiving a grant from LIFE-AR funding*). This is a strengths-based approach structuring on delivery capabilities identified through a robust due diligence process.

Standards:

- Identifying strengths and weaknesses
- Supporting partners to strengthen existing capabilities
- Robust, proportionate, and flexible
- Phased and adaptable

- Empowering and equal

Benchmarks:

- Due diligence must be proportionate to the level of funding to be managed by the Delivery Partner.
- Due diligence must identify the Delivery Partner's own capabilities, not rely entirely on the capability of a parent organisation.
- Empowerment Due Diligence must be carried out before the decision to fund.
- Due diligence must identify: Delivery Partners' technical and financial capabilities; appropriate support to strengthen them if required; phasing of support along the Empowerment Pathway; and oversight arrangements for the use of funds.

3.4 Grant Decision and Agreement

Standards:

- Timeliness
- Transparency and accountability
- Fair treatment of Delivery Partners

Benchmarks:

- Grant decisions must be made within the timeframe communicated to Delivery Partners.
- In any competitive process, all partners must be treated equally, with no preferential treatment.
- The decision to fund must be based on a technical and financial evaluation conducted against agreed evaluation criteria.
- The Grantor must prepare an evaluation report explaining how the case meets the evaluation criteria.
- Grant agreements must include an appropriate dispute resolution provision.

3.5 Implementation

Standards:

- Timeliness
- Transparency
- accountability

Benchmarks:

- Copies of grant agreements and any amendments must be published so citizens can track changes.
- Disbursements must be in accordance with the grant terms.
- Grants must be actively managed to ensure outcomes are met in a timely fashion.

- Adaptive management is encouraged: budget reallocation (movement between budget lines) of up to 10% of the total grant value are permitted without approval; revisions of more than 10% require Grantor approval. Reallocation of funds from the investment budget to the administration budget is not permissible.
- Grant outcomes must be published online where practical so citizens can hold the National Platform to account.

3.6 Outcome and Learning

IV. PART 4: REPORTING BENCHMARKS

Reporting under LIFE-AR is designed to ensure accountability and evidence-based adaptive management, while keeping administrative burden to a minimum.

4.1 Reporting Principles

Transparency	Publish as much information about activities as possible. Even where information cannot be published, it remains available to the LIFE-AR Board.
Minimum Burden	Reporting is only required when necessary and done in the simplest way possible, so effort is not diverted from activities with greater impact.
Unified Reporting	A single set of reports in a standard format. No separate reports for individual Development Partners.
Comprehensible	Reports must be clear and comprehensible, using diagrams, plain language, no jargon, and acronyms explained.
Timely	Reports published according to a laid-down timetable to ensure information is still relevant and useful.
Informative	Reports must include analysis that interprets the figures presented to assist readers' understanding.

4.2 Required Reports

The following reports are required at minimum:

Report Type	Frequency	Key Content
Quarterly Finance & Risk Report	Every quarter (due 3 weeks after quarter end)	Budget vs actual expenditure; budget variance explanations; Red risks and mitigating actions; written-off assets; non-competitive contracts/grants.
Six-Monthly Activity Report	Every 6 months	Activities and outputs; narrative on changes in context and risks.
Annual Report	After Quarter 4	Narrative progress toward LDC Offer and Ask; annual outcome-level reporting; learning questions.
Annual Financial Statements	Annually	Full audited financial statements.

V. PART 5: GOVERNANCE BENCHMARKS FOR NATIONAL PLATFORMS

These benchmarks apply specifically to the governance of National Platforms and any governing body responsible for managing LIFE-AR funds at the country level.

5.1 Governance Structure

- National Platforms must establish a clear governance structure with defined roles and responsibilities, decision-making processes, and a reporting framework.
- The governance framework must support devolved, community-led participatory decision-making.
- National Platforms bring together actors from across the whole of society: government, civil society, academia, and the private sector.
- Each LDC works at its own pace to develop its delivery mechanisms and institutional capabilities consistent with the Governance Policy.

5.2 Accountability Framework

- National Platforms are accountable to LDC citizen communities for all decisions and actions.
- Each National Platform must submit an Annual Certificate of Compliance to the LIFE-AR Secretariat within one month of the end of each financial year.
- The Annual Certificate of Compliance confirms compliance in all material respects with the terms of the Grant Agreement and applicable sections of the SOP or explains any non-compliance.

- Failure to submit on time, or the identification of significant non-compliance, may lead to the suspension of further disbursements.

5.3 Financial Management

- All National Platforms must maintain sound financial management procedures aligned with the benchmarks and principles on financial management.
- Budget holders must provide explanations of any variances greater than 10% and a value of [currency equivalent of GBP 10,000] or more within one week of receiving management accounts.
- National Platforms must publish information to the International Aid Transparency Initiative (IATI) standard on all granting activities.
- Contributions shall be held in the currency received and converted to operational currencies only as needed.

5.4 Audit Requirements

- Each National Platform must commission an external audit of its annual financial statements in accordance with applicable legislation, legal status, and local practice.
- Internal audit arrangements will vary according to size, context, legal status, and national requirements, as outlined in the National Platform Operating Procedures Manual.
- National Platforms must cooperate fully with any Development Partner-commissioned assessments or audits.

VI. PART 6: NATIONAL PLATFORM OPERATING PROCEDURES: REQUIRED COVERAGE

When developing National Platform Operating Procedures (NPOPs), countries must ensure the manual covers at minimum the following areas, all of which will be assessed against LIFE-AR Standards and Benchmarks:

Governance & Accountability

1. Governance framework (roles, responsibilities, decision-making, reporting)
2. Transparency Policy
3. Safeguarding Policy
4. Anti-corruption and Integrity Policy
5. Whistleblowing Policy
6. HR Policy
7. Performance management
8. Compliance (including Development Partner conditionality)

Financial & Operational Management

1. Applicable accounting standard
2. Financial information within the Management Information System (MIS)
3. Budgeting and reporting
4. Risk management
5. Internal and external audit function, annual audit, and financial statements
6. Bank accounts, including signatories.
7. Record keeping, liquidity management, bank reconciliation.
8. Processing all payment requests; payments; expenses; treasury management
9. Procurement and grant management

The Empowerment Pathway

Countries are not expected to meet all benchmarks immediately.

LIFE-AR's Empowerment Due Diligence process identifies current strengths and gaps. Where gaps exist, an Empowerment Action Plan is developed jointly with the country to support phased strengthening. This enables countries to build their track record progressively toward Enhanced Direct Access to global climate funds such as the Green Climate Fund (GCF) and the Adaptation Fund.

Source: LIFE-AR Standard Operating Procedures, October 2023

The full LIFE-AR Standard Operating Procedures (SOP) are available on the LIFE-AR website [\[LINK\]](#), providing detailed guidance for national platforms that may wish to adapt specific elements for their own use.