



Least Developed Countries Group on Climate Change

LDC Initiative for Effective Adaptation and Resilience (LIFE-AR)

Strategy Document

LDC Initiative for effective Adaptation and Resilience (LIFE-AR)

Delivering the LDC 2050 Vision

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LDC Initiative for Effective Adaptation and Resilience (LIFE-AR) Strategy

1. Summary

LDC Initiative for Effective Adaptation and Resilience (LIFE AR)

This strategy of the LDC group reflects the direction of the LDC Initiative for Effective Adaptation and Resilience (LIFE AR) over the next 10 years. It is a living document and will be subject to regular review and adjustment with learning and new insights by the LDCs ourselves and our partners. The learning will be particularly rich in the early years with the first six front runner countries, as the first cohort who have signed up to take LIFE-AR forward to deliver our 2050 Vision.

As LDCs we recognise that business as usual is not working for us. We need long term cross-sectoral and multi-level responses, yet current responses are short term, sectoral projects. We need support to reach our vulnerable communities as those who need it most, yet globally only 18% of finance reaches LDCs, and globally only 10% reaches local level. We need climate action driven by and for our countries, yet many responses are externally driven, top down and fail to build our institutional capabilities, structures and systems for the long term. In response, we the LDCs, have taken decisive action to step up our climate ambition. Over the last 2 years, we have developed our 2050 Vision for a climate resilient future, informed by the deliberations of over 600 experts from LDCs across Anglophone and Francophone Africa and the Asia Pacific. Our deliberations identified what works to build our systems, capabilities and reach communities at the frontier. Our Vision is owned by LDC Ministers, and through it we are setting out our offer – what we will do, and our ask – the support we require from the international community, to deliver our 2050 Vision and achieve a climate resilient future.

This strategy summarises the background to the initiative, our 2050 Vision with our Offer and Ask; the principles of our partnership with each other and our development partners, and it sets out a pathway – that will evolve over time – with the workstream and activities we expect to be undertaken to deliver our 2050 Vision over the next ten years.

Goal: for all LDCs to be on climate-resilient development pathways by 2030 and deliver net-zero emissions by 2050 to ensure our societies, economies and ecosystems thrive (LDC 2050 Vision).

Results (the LDC Offer):

- 6 countries establish whole of society responses with effective delivery mechanisms enabling 70% of investment behind local climate priorities, increasing the resilience of 31 million people by 2030.
- Integrated long-term adaptation, resilience and mitigation plans in place at national and local level, and in country capabilities built, demonstrated through 6 countries directly accessing global climate finance by 2030 on their terms.
- 6 countries have strong systems of accountability with meaningful representation of women, young people, those living with disabilities and other disadvantaged groups in decision making and inclusive and transparent systems of monitoring and learning.

LDC front runner countries: Bhutan, Burkina Faso, Ethiopia, the Gambia, Malawi, Uganda have committed to the LDC offer, LIFE-AR aims and principles.

LDC second wave countries: TBD

Budget: an estimated US\$ 566 million over 10 years based on the costs for the six frontrunner countries and support to governing the initiative and deriving good practice standards. This represents 70% of funding being invested locally behind community priorities – including the start-up costs, so this proportion improves over time and is at 87% by year 10. We estimate that 92% of

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the initiative costs will be invested in the frontrunners – with an average of \$73.6m per country, and the costs of the Platform are largely for deriving learning and sharing with wider LDCs. The admin fee is 1% of the budget overall. The table below summarises the budget by phases:

	Establishment Phase (Y1-2)	Design and test phase (Y3-5)	Evolve and scale phase (Y6-10)	Total (ten years)
Average front runner's delivery mechanisms technical support	\$0.8m	\$4.7m	\$8.8m	\$17.3m
Average front runner's local investment	\$0.09m	\$8.4m	\$47.4m	\$56.3m
Total for 6 front runners	\$6.1m	\$91.8m	\$393m	\$515.9m
LIFEAR Platform governance, peer to peer learning and donor dialogues, QA and audits	\$2.1m	\$11.6m	\$26.4m	\$42.6m
Admin fee	\$0.1m	\$1.5m	\$5.2m	\$7.5m
Total	\$8.4m	\$104.9m	\$424.6m	\$566m

Delivery agent: To be delivered through the LIFE-AR Platform (interim vehicle to be managed by IIED) and LIFE-AR national consortia of partner.

Development partners signed up to the LDC 2050 Vision compact: Austria, Denmark, Finland, Germany, Italy, Ireland, Norway, Sweden, the United Kingdom and the United States of America are committed to supporting the LDC frontrunners achieve their goals. Ireland has committed 1m Euros and United Kingdom £2m to support the first year of establishment.

Core areas of activity will include¹: long term planning and defining initiatives to align priorities in development, adaptation and mitigation, disaster and protection of ecosystems integrity; evidence generation and context analysis; strengthening institutional capabilities at local and national levels for investing climate finance behind local priorities; enabling policy for local climate finance; accelerating ability to directly access global climate funds; strengthening technical assistance in country; promoting learning and meaningful exchange within and between LDCs and deriving good practice guidance. See Section 4 on LIFEAR phases and Annex 2 for further details.

2. Introduction to LIFEAR

Least Developed Countries are the least responsible, but most impacted by climate change. Climate change disproportionately impacts the lives and livelihoods of the world's poorest – those who have done the least to cause it. LDCs together emit less than 1% of global CO₂ emissions, but our people and communities are among the first and worst affected by climate change. In 2019 alone, droughts, floods, landslides and storms have killed over 1,200 people in LDCs and affected almost 11 million more. Mozambique and Malawi were hit by unprecedented cyclones. Another LDC, Nepal, experienced its first tornado in recorded history. Over the past fifty years, over two thirds of worldwide deaths caused by climate disasters occurred in the Least Developed Countries. Yet we, who are the least responsible, who have suffered the most, are already acting.

The Least Developed Countries are leading ambition, even though the burden of climate leadership does not rightly belong to us. The Least Developed Countries are fighting to confront this existential threat. Combating climate change is a priority across our governments, and many are widely

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recognized as climate leaders. As LDCs, we comprise 47 unique countries from across diverse continents and landscapes, from land-locked regions to small island states, from the Caribbean to Africa to Asia Pacific. We recognise that no ‘one size fits all’ solution can work for us, but that achieving climate resilience across our respective countries requires flexibility in line with the needs of our unique cultures, ecosystems and contexts. As such, our countries have responded to the threat of climate change in a variety of ways, which offers learning on a diversity of approaches for sharing across the group. For example, in 2009, Bhutan became the first country to commit in its constitution to remain carbon neutral, even as we develop. Ethiopia, Rwanda and Bangladesh were among the first countries to develop national climate funds and economy wide climate strategies. Nepal was the first country to commit to getting climate finance to the local level through local government, setting a target of 80%. This was in recognition that the impacts of climate change varied widely across the country and effective action was more easily prioritised at the local level. Only 5 countries globally have set these targets to date – 4 of those are LDCs. Most adaptation projects and initiatives have been focused on and involving us - and although they were not always co-designed with us, we have still learnt a lot. We know we need bespoke responses that strengthen the different types of national systems and the aspirations across our diverse societies. And as the LDC group, we are now going one step further.

Our vision is for Least Developed Countries to deliver climate-resilient development pathways by 2030 and net-zero emissions by 2050 to ensure our societies, economies and ecosystems thrive. In our 2050 Vision we set out our offer, what we intend to do to respond strategically to the threat to our societies, our economies and our ecosystems. And we set out our ask of the international community to partner with us in new ways, aiming to achieve the following shifts from business as usual to *business unusual*:

- From considering the SDGs, disasters, biodiversity loss, climate adaptation and climate mitigation as separate challenges, to *tackling the underlying drivers of vulnerability* that communities face.
- From developing climate plans through two-week missions of external experts, who rapidly gather sectoral shopping lists, which then struggle to attract funding, to the LDCs each leading the *development of a whole of society strategy with core delivery mechanisms*. This would be akin to the Poverty Reduction Strategy Processes – enabling coherent responses to the triple crises of poverty, climate and nature we face.
- From working in silos to tackle the climate crisis to working across government- including finance, planning, environment, local government and all relevant departments where appropriate- as well as drawing in civil society, private sector and academia for a more effective response.
- From investing our limited staff time in working with external partners and coordinating many projects to *delivering a coherent and politically astute response* around an architecture that is vertically integrated from national to local levels and horizontally integrated across sectors.
- From technical, top down sectoral projects to building the long-term *architecture of delivery mechanisms that support coherent governance and investment* that respond to the triple crises.
- From developing many projects with high transaction costs to *designing core delivery mechanisms* that aggregate climate action into large investment portfolios.
- From receiving climate finance that mostly reaches national ministries for national planning processes to *delivering 70% of climate finance behind communities’ priorities* and enabling their enterprise to pivot to climate resilient production systems.

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- From relying on humanitarian responses to predictable climate disasters to *designing mechanisms that support systemic early action* that reaches the most vulnerable households.
- From seeking to mainstream climate action through technical tools, to providing *flexible finance to incentivise climate action strategically*.
- From projects managed by others due to concerns around corruption and resource capture by elites to *strengthening our institutions' climate capabilities*, with agreed operating rules, with highly transparent budgets and investment decisions, with accountability mechanisms that engage our citizens and civil society in holding us to account.

The overwhelming experience of our LDC experts is that the largely short-term, projectised, sectoral climate responses are too focused on narrow technical changes to have the strategic impact needed to tackle poverty, climate impacts and the degradation of ecosystems coherently and at the scale needed. As set out at the start, over the past fifty years, over two thirds of worldwide deaths caused by climate disasters occurred in the LDCs – success cannot be counted as numbers reached in a few locations, but a fundamental change in these types of outcomes. And with external actors defining and leading most initiatives, these are failing to build capacity and deliver sustainability at national and local levels. 87% of the Green Climate Fund's investments are through international development partners, with just 5 LDC institutions accredited. If the existing initiatives were working, LDCs would already be accessing the GCF and MDBs directly, with financing flowing behind strategic investments that reach communities across the country. Many existing initiatives support coordination, small projects or components under larger investments – but none are considering how to develop transformation across societies at real scale – which requires prioritising reach to the local level through efficient delivery mechanisms that support governance and investment behind local priorities. See the section below on What is Different About this Approach and Annex 4 for comparison of existing initiatives with what the LDCs Vision and principles require.

The LDC Response: LIFE-AR

LIFE-AR aims to support this shift away from business as usual approaches, to a more effective, more ambitious climate response, that ensures support reaches the most vulnerable countries and communities, with no one left behind. LIFE-AR is an LDC-led, LDC-owned initiative, which serves as one of the primary vehicles for delivering our 2050 Vision for a climate resilient future.

From the beginning, LIFE-AR has worked to 'join the dots' with existing initiatives. We set up a network of LDC practitioners and resilience partners — resilience and adaptation experts from LDC governments, civil society, academia, international accredited entities, climate funds, the LDC Expert Group (LEG) of the United Nations Framework Convention on Climate Change — to guide strategic linkages and learn from and build on existing practice. We also established LDC Ministerial and Advisory Groups to guide the initiative's political and technical direction and ensure a governance structure that continues to be LDC-led and driven. LIFE-AR was officially welcomed and launched by the LDC Ministerial Group and LDC Chair at COP24 in December 2018.

Over the previous two years, the LDC chair and LIFE-AR technical lead held workshops and consultations with our network of LDC governments, practitioners and resilience partners under the direction of the LDC Ministerial Group and LDC Advisory Group, to develop this initiative and inform our 2050 Vision. Six technical workshops across LDCs in Anglophone and Francophone Africa and Asia Pacific regions, during COP24, CBA13 and the NAP expo, brought together over 600 experts in adaptation and resilience – around 90% of whom were LDC experts from government and non-state actors, contributing their own time and experience. The LDC Advisory group contributed their

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technical advice, guidance and time to the initiative on a voluntary basis, all the more significant considering that many of the members are in full time employment.

We also launched a global call for evidence on effective adaptation and resilience to learn from best practice. This received 100 submissions contributed for free - and LDC experts from LDC Universities Consortium on Climate Change (LUCCC) were engaged in further analysis of case studies - to ensure the Vision was built on replicable good practice. The review found that some of the critical elements characterising effective adaptation and resilience to climate change are a long-term perspective, coordinated and coherent action, and socially just and inclusive approaches. These three headline messages are outlined below:

- Building resilience to climate change requires **long-term investments into capacity building**. Some of the most effective climate responses are nationally driven and owned and work to strengthen domestic institutions, structures and governance systems to manage and overcome climate risks over the longer term.
- **Coordinated and coherent action** on a large scale is required to reach the significant numbers of vulnerable communities. For example, devolving climate governance, planning and financing from national to subnational levels can improve reach across countries to the local level. Bringing actors together, including governments, the private sector and civil society, also can ensure climate responses complement rather than duplicate each other. Coherence in actions also ensures that responses on global commitments including the Sustainable Development Goals, Paris Agreement, Sendai Framework for Disaster Risk Reduction and the Aichi Biodiversity Targets are aligned for efficiency and effectiveness.
- **A socially just and inclusive approach** is vital for reducing long-term vulnerability. Promoting equal opportunities for women and men to access economic resources, capacity building and gender-relevant technology is essential to building the resilience of both women and men. Similarly, taking an inclusive approach through investing in local organisations and businesses to better manage climate risk is crucial for building resilience at the local level. Achieving this requires a participatory approach involving meaningful engagement of local actors in the design and implementation of initiatives, integrating both local and technical knowledge to ensure climate responses are context specific and relevant.

These technical workshops with over 600 LDC experts and the global review of 100 submissions of evidence informed our 2050 Vision, Offer and Ask, ensuring our Vision is defined by ourselves and developed with an understanding of the challenges being faced in our respective countries and the solutions offered, building on a strong evidence base of global good practice.

3. The LDC 2050 Vision, Offer and Ask

We launched our 2050 Vision for a climate resilient future at the UNSG Climate Action Summit in September 2019. Our vision is for Least Developed Countries to deliver climate-resilient development pathways by 2030 and net-zero emissions by 2050 to ensure our societies, economies and ecosystems thrive. We set out 'our offer' of what we will do on our side as LDC Governments to achieve our Vision, as well as 'our ask' to the international community. This is summarised in table 1 below.

We, the LDCs, define, drive and lead our 2050 Vision. It charts out our journey towards a climate-resilient future by 2050, in line with our own needs and priorities. On this journey, we do not merely ask for planning and coordination support. We do not seek single-project funding. Instead, we aim to build the institutional systems and capabilities we need for long-term transformative change. To

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achieve this, we will develop delivery mechanisms that are flexible and forward-looking; that strengthen our institutions to be agile and responsive to changing circumstances, needs and new knowledge as they arise; and that are transparent and open, with predictable but flexible budgets rather than funding prescribed activities. We want these mechanisms to be vertically integrated with government systems while also enabling horizontal collaboration across different sectors.

This vision supports our intention to develop long-term climate strategies under the Paris Agreement Article 4 paragraph 19 and to articulate our ambitious leadership on climate action. Through it, we can better address the long-term impacts of a changing climate and further define and update the adaptation priorities of our national adaptation plans (NAPs) and NDCs, in line with national development goals for climate resilience and poverty eradication.

Our vision unites and draws on the knowledge, resources and work of three LDC initiatives — LDCs Universities Consortium on Climate Change (LUCCC), LDC Renewable Energy and Energy Efficiency Initiative for Sustainable Development (LDC REEEI) and LIFE-AR — and informs LDCs' national work on long-term strategies (LTS). We seek to learn from and support each other while we build climate resilience; and to also redefine relationships between LDCs, donors and wider development partners, so we can strengthen our own delivery systems.

Under our offer, we, the LDC governments, commit to ambitious, low-carbon, climate resilient development. Despite being the most vulnerable to climate risks, we seek to take the lead in developing a more effective, ambitious climate response, recognising that business as usual is not enough. We aim to develop whole of society approaches that bring state and non-state actors together – not only from across government departments – from finance, planning, climate, local government and sectors as appropriate - but also trusted, expert partners from civil society, private sector and academia (building on links with LUCCC institutions). This will enable us to design cross-sectoral and multi-level delivery mechanisms to ensure support reaches to where it is needed most, to support the most vulnerable communities with their priorities supported by predictable and reliable finance. We also aim to build our own institutions, structures and systems in country, to tackle climate challenges effectively over the long term. We recognise that as LDCs, we have thin governments with limited capacity to deliver, with associated risks of corruption and elite capture. In developing our Vision, we invested considerable time and resources in reviewing what has worked to strengthen our capabilities and build transparent and accountable delivery mechanisms. And our proposition is based on that experience. But we also recognise that this takes time and will not be achieved overnight. So, we are committed over the long-term to get this right. These are core elements of the 'LDC Offer', the ambitious commitments made by LDC Governments in order to deliver the 2050 LDC Vision.

Recognising that to achieve the LDC Vision will require strong partnership on both sides, the Vision also includes an 'Ask' to the international community (see table 1). This ask of development partners is to support the LDC 2050 Vision and provide long term and predictable finance in order to be able to make a reality of the plans and systems being put in place. The ask is also for development partners to work with the LDCs to reduce the transaction costs and efficiency of support – with rules and procedures built on transparency and mutual accountability. We hope to work collectively with development partners to reform the climate finance system so that international finance flows to systemic and distributed climate action with effective accountability to both funders and recipient communities – ensuring wider LDCs and other vulnerable countries can also access strategic support. By reforming how we work to focus on a coherent national architecture for climate action, rather than sectoral projects and by changing how we access support from development partners, we can refine core development responses to align with and deliver the Sustainable Development Goals (SDGs), Paris Agreement, Aichi Biodiversity Targets and Sendai framework coherently. As LDCs we are offering

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a radical level of transparency to enable continued learning about what works and adjustment with experience; and we are asking for the development partners to support this with long term support and mutual openness as part of the shift in relationships.

Partnership Compact: LIFE-AR Principles

To support a shared 2050 Vision between LDCs and the international community, and to strengthen the shared ambitions of the Offer and Ask, we have developed joint Principles to guide our work together under LIFE-AR. These principles will feed into every aspect of our work, and include our commitment to:

1. ***Work together jointly on a shared and equal platform.*** LDCs and the international community to come together as equals through a platform to openly discuss, co-create and share solutions to address the climate challenges that we face across our respective countries. This platform aims to build trust, transparency and mutual accountability, and present the opportunity to outline joint solutions to some of our greatest challenges, including the transaction costs of accessing support and the need to develop the climate capabilities of LDC institutions.
2. ***Invest behind integrated, holistic and ambitious climate planning across whole of society.*** We will work with the whole of society to integrate climate (adaptation, mitigation and resilience) into national and local development objectives and plans. We have initiated work on long term strategies under the Paris Agreement in a number of LDCs, and we ask the international community to do the same, to ensure a collective response that puts the world on a pathway towards a 1.5°C world, along a climate resilient pathway, by 2020.
3. ***Commit to a shared goal of 70% finance flows supporting action on the ground in LDCs by 2030.*** We will work jointly together to strengthen LDC delivery mechanisms to ensure that all proposals and projects commit to spend at least 70% of the funds on the communities where climate impacts are most felt. These delivery mechanisms will enable vertical integration with government systems from national to local level and horizontal collaboration across different sectors, enabling devolved community-led decision-making that integrates community knowledge with the best technical advice.
4. ***Work at the pace of individual LDCs, aiming to build long term national and local institutions, systems, structures and capabilities.*** We will work jointly together at the pace and direction set by individual LDCs under this shared 2050 Vision, seeking to move away from a pace that is determined and set externally, achieving greater national ownership. This will enhance in-country expertise, build strong local institutions, and stimulate whole-of-society responses, with a special focus on women, youth and other marginalized groups. We will also work closely with Least Developed Countries Universities Consortium on Climate Change (LUCCC), and other LDC institutions in country, to develop tomorrow's leaders and national experts, investing in capabilities, curricula, training, research and knowledge.
5. ***Leave no country and no one behind.*** At LDC level, we commit to work together to find solutions for the most fragile states and countries that are often left behind in the fight against climate change, seeking ways to overcome challenges, learning together and building capabilities to deliver the SDGs, and Paris, Sendai and Aichi commitments, to ensure that LDC Governments continue to show leadership. At individual level, 'leaving no one behind' will mean that we create more inclusive governance policies and institutions with principles that put the furthest behind first and sustainably address the underlying causes of poverty and vulnerability. We shall challenge social barriers that exclude and limit people's potentials as we focus on gender transformation




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and social justice. We will work with women and the youth, who comprise the highest population in most developing countries and yet are the poorest. We will engage national ministries and local governments, private sector, non-governmental organisations, cities and communities, to improve climate decision-making, build a strong foundation of trust, break down silos and encourage collaboration. We call on other development partners to do the same.

At the 25th Conference of the Parties in December 2019, 14 countries - Austria, Bhutan, Burkina Faso, Denmark, Ethiopia, Finland, The Gambia, Germany, Italy, Ireland, Malawi, Sweden, the United Kingdom, and Uganda came together to sign the LIFE-AR Partnership Compact, committing to work together more effectively to achieve a shared 2050 Vision under these shared principles. At the 26th Conference of the Parties in November 2021, an additional two countries- Norway and the United States of America, signed up to the LIFE-AR Partnership Compact, bringing the total to 16 countries. Table 1 provides a summary of the LDC 2050 Vision, LDC Offer and Ask and the joint principles of the compact.

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Table 1: Summary of LDC 2050 Vision, Offer, Ask and Joint Principles of the Partnership Compact

LDC 2050 Vision: for all Least Developed Countries to be on climate-resilient development pathways by 2030 and deliver net-zero emissions by 2050 to ensure our societies, economies and ecosystems thrive.			
<div>  CLIMATE-RESILIENT PEOPLE  CLIMATE-RESILIENT ECONOMIES  CLIMATE-RESILIENT LANDSCAPES </div>			
	LDC Offer from LDC Governments	LDC Ask of International Community	Joint Principles of Partnership Compact
Coordination	We will work with the whole of society to achieve a low-carbon, climate-resilient future	Work together to reduce transaction costs and ensure mutual accountability behind LDC leadership	Work together jointly on a shared and equal platform
Finance	We will develop strong climate finance architecture, with at least 70% of flows supporting local-level action by 2030	Provide high-quality, predictable and accessible finance and support the LDCs' intention of at least 70% financial flows supporting local-level action by 2030	Commit to a shared goal of 70% finance flows supporting action on the ground in LDCs by 2030
Planning	We will integrate adaptation, mitigation and resilience into our national and local development objectives	Develop your own ambitious strategies for 1.5°C low-carbon climate-resilient pathways by 2020	Invest behind integrated, holistic and ambitious climate planning across whole of society
Capabilities	We will strengthen our climate capabilities, institutions, knowledge, skills and learning	Work with us in the long term to strengthen our national and local institutional capabilities	Work at the pace of individual LDCs, aiming to build long term national and local institutions, systems, structures and capabilities
Governance	We will create more inclusive governance of climate decisions that are centred on gender transformation and social justice	Invest in our inclusive climate-resilient net-zero economies and technology	Leave no country and no one behind

4. How will the LDC 2050 Vision be delivered?

The front-runner LDCs have committed to delivering the LDC ‘**Vision**’ and the LDC ‘**Offer**’ as well as to upholding the ‘**Principles**’ described above; to drive forward the learning of effective adaptation approaches and develop a devolved decision-making model. Front-runners will not only be expected to demonstrate their commitment to the LDC Vision, Offer and Principles, but also their readiness to build capacity to deliver results, and will be supported by a LIFE-AR platform to build the institutions, systems and capabilities for delivering effective resilient development.

Front runner countries will take the LDC Vision forward in country through development of their own National 2050 Vision, for example through a Long-Term Strategy, or should an existing long-term vision exist, strengthen and operationalise it, in line with the LDC Vision. Front runner countries will decide which delivery mechanisms they wish to design and develop in country to support achievement of the LDC Vision and emergence of climate resilient people, economies and landscapes. Annex 1 sets out how Uganda and the Gambia are developing their plans as front-runners – Uganda focusing on setting up a decentralised climate finance mechanism and the Gambia starting with developing their national vision and long-term strategy.

The approach set out below builds on the findings from the LIFE-AR global evidence review, it aims to support a shift towards more ambitious and longer-term perspectives through sustained effort over ten years, building climate resilience through stronger institutions and investment that reaches the frontier, moving beyond the largely short-term projectized approaches that dominate at present. It is just the start of a journey – and is seeking to avoid over specifying results that then reduce flexibility. It aims to avoid the externally driven top down design processes, by allowing the front runner LDCs to be in the driving seat to chart out their own aims and priorities at their pace. To demonstrate the level of transparency and accountability intended under the LDC 2050 Vision, budgets would be signed off by the LIFE-AR Board and shared transparently.

The LIFE-AR strategy is structured around three workstreams over the initial ten-year period. These are introduced here and each workstream is described more fully below with an indication of expected results:

- **Workstream 1: Countries develop LIFE-AR delivery mechanisms.** Under this workstream, initially the six front runner countries will bring together partners at the national and local level to develop their long-term vision and design and test their delivery mechanisms – building on what already exists and is working in country. This forms the majority of where LIFE-AR funds will be channelled. Each front runner country will form a delivery consortium with representation not only from across government departments – from finance, planning, climate, local government and sectors as appropriate - but also trusted, expert partners from civil society, private sector and academia (building on links with LUCCC institutions) at the national and local levels. These delivery consortia will allocate roles and responsibilities for a successful whole of society approach, agreeing the institutional arrangements and governance structures to deliver the LDC Vision appropriate for each country – for review and approval by the LIFE-AR Board (connecting to workstream 2). Funding would enable non-state partners in country to support the government to run a broad based and inclusive process, develop the vision, identify, design and invest through the delivery mechanism and document and share learning on both the process and impact for debate, transparency and wider replication in country and to inform other LDCs (connecting to workstream 3).

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- **Workstream 2: Effective governance and influence through the LIFE-AR platform.** This workstream will develop the governance arrangements for the initiative at the international level, ensuring that it continues to be LDC-led, providing effective governance and support to front runner countries as well as engaging development partners and influencing the international climate finance architecture so it better supports the LDCs. Funding is needed for running the LIFE-AR Board and for the LDC Donor Dialogues, for legal advice in setting up and adjusting the governance of the initiative over time, and for service providers to the Board to set up and run the systems and procedures, audits, regular reports to the Board and quality assure the financial management and reporting of front runner countries.
- **Workstream 3: The LIFE-AR community of practice** developed around regional clusters and around delivery mechanism types will distil learning into good practice guidance and start the outreach to the second wave of countries. The community of practice will ensure lessons across the front runners are collated, distilled into good practice guidelines and shared with wider LDCs to build their interest and confidence. The community of practice will also work with existing networks (NDC Partnership, NAP Global Network, LUCCC, regional fora etc) to draw in wider experience and test emerging good practice. The emerging evidence will inform the LDC Donor Dialogues (connecting to workstream 2) to build consensus around critical policy changes in international climate finance procedures. This sharing of experience and policy development will ensure no LDC is left behind as they will slowly join the initiative and eventually are able to access the early strategic support they need directly from the Global Climate Funds and MDBs. Funding is needed for the LDC group to run this community of practice, engage with wider initiatives and commission experts to build LDC monitoring systems, research capability and strategic communications to ensure knowledge is effectively distilled and shared. Funding will also be needed for an independent evaluation. Success will be defined in terms of developing and progressing a long-term strategy for slowly expanding to the full 47 countries.

Workstream 1: Countries develop LIFE AR delivery mechanisms

Six frontrunner countries have committed to take the LDC Vision forward in country and turn the LDC offer into a reality: Bhutan, Burkina Faso, Ethiopia, The Gambia, Malawi and Uganda. Many of these countries have already contributed significant time and resources to build the political buy in and support across government and beyond. This is a signal of our commitment and good intentions to continue to put our own resources and effort behind this initiative. These six front runner countries represent the first 'cohort' of LDCs that will work towards achieving the LDC Vision in country over the next 10 years. A 'second wave' of countries will join the initiative in time, ensuring that support gradually spreads across further LDCs, especially those often left behind. Front runner countries experience, learning and guidance will also be shared through the community of practice under workstream 3.

At the national level, frontrunner countries will develop their roadmaps setting out the steps to achieve their objectives under the initiative – designing mechanisms that build on existing core development interventions, to ensure climate advice and finance reach local levels across societies. This will eventually give them the track record and proof of concept to enable them to access international climate finance and development bank loans directly. Experience shows, even in a country like Kenya, that it takes over 9 years to attract an MDB loan for national scale up of a country driven mechanism reaching the local level – in their case the County Climate Action Funds – and they are still in the process of accessing the GCF. Equivalent although shorter experience in Tanzania, Mali and Senegal tell a similar story – that even with bilateral project support to access readiness funding,

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it is high in transaction costs, with too many restrictions on activities, slow in arriving and short term. In view of this, LIFE-AR in front runner countries will be developed and initially implemented over a 10-year project delivered in three phases: an initial 2-year establishment and initiation phase, followed by a 3-year pilot phase to test and evolve the mechanisms, and then a 5-year phase to consolidate and scale. An underlying assumption is that once a country has sufficient track record, it will be successful in accessing the MDBs and global climate funds and would no longer need LIFE-AR support. This length of time is also in line with the long-term period required to effectively build climate resilience as indicated in the global review of evidence. In addition, achieving the necessary reforms to the existing institutional and financial architecture will take time and will need to proceed at the appropriate pace to maintain government leadership as well as for inclusive engagement of all stakeholders to ensure sustainability.

Establishment and Initiation Phase: Y1-2

LIFE-AR will be driven and led by LDC governments and non-state actors in country. Front runner countries will begin with the setup of **task teams** that engage departments across government – from finance, planning, climate, local government, civil service training institutes and sectoral ministries as appropriate - but also trusted, expert partners from civil society, private sector and academia (linking with LUCCC) at the national and local levels. The time invested in these task teams is part of the LDC governments' own contribution, but we will need to support non-state partners in facilitating the processes required and preparing documentation. These task teams will facilitate and coordinate a participatory, multi-stakeholder process to enable countries to develop their **long-term vision**, building on existing policies, strategies and core development mechanisms, and identify how to design the LIFE-AR **delivery mechanisms** for investment and governance reforms that will incentivise climate action across their societies. The objective is to build on and strengthen what we have already achieved – including NDC, PPCR and NAP processes and wider climate initiatives – but focusing on strengthening core development mechanisms rather than identify sectoral projects. The task teams will hold meetings to engage wider stakeholders at national and local levels to ensure broad support and political buy in. The Gambia and Uganda have already set up task teams and started their planning.

During this establishment phase, the task team will support situational **analysis** to review the existing context in country, the existing initiatives and interventions and agree the practical **road map** for delivery. A core principle for LIFE AR is to build on what is there – so the roadmap activities will vary country to country depending on what we have already achieved. For example, in the Gambia they will start by developing a vision for integrated planning (in line with LDC Offer), and to reflect on which mechanisms will deliver strategic incentives, society wide, for climate resilient development. In Uganda having just completed a national vision, they have already started, with their own staff time, to consider the design of the LIFE-AR delivery mechanism which will strengthen multi-stakeholder planning approaches based on decentralised climate finance. This supports achievement of the LDC Offer of developing 'strong climate finance architecture, with at least 70% of flows supporting local-level action by 2030'. And whilst success criteria across these different countries may differ depending on the approach, it will be meeting the LDCs shared vision of reaching the local level, nationwide – so the hardest to reach communities are supported to thrive in the face of climate impacts.

The task teams will also establish and coordinate a **delivery consortium** – a group of national and local partners to deliver the LDC Vision, guided and governed by an **institutional operational framework** to ensure strategic and technical oversight at national and local levels by government and non-State actors such as civil society, the private sector and universities (connecting to workstream 2). In line with the offer and principles of the LDC Vision, this consortium aims to build the technical capacity of in-country institutions to design and test the LIFE-AR delivery mechanisms from Year 3 including the

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development and operationalisation of frameworks and processes for quality assurance, for monitoring progress and learning from experience. International and regional expertise will only be drawn in as and when required – including peer assist support from fellow LDCs engaged in relevant work under other initiatives. Enabling front runners to define roles and responsibilities, the governance arrangements and select their partners is essential to shifting the power dynamics for the LDCs.

Front runner countries will also be supported to engage **strategic communications expertise** to ensure effective outreach and accountability in country – such as informing relevant parliamentary or NGO networks, meetings or submissions to wider government bodies – aiming to get early input to the vision, ensure proper scrutiny and engagement in early thinking and ensure the ambition is reflected in wider policy processes, such as SDG plans, NAP or NDC updates. This early investment in building consensus will be essential to delivering the future integrated action envisaged.

The two year establishment phase will ensure each front runner country – including those who have more recently joined the initiative – has the opportunity to decide how LIFE-AR will operate in their context through a broad and inclusive consensus building process appropriate to their country, and to ensure inclusive and robust priorities are identified as part of our long term and strategic offer for designing transformational mechanisms to achieve the LDC Vision. Those LDC and wider experts with relevant experience to share will offer support to others at an earlier stage, through peer assist missions to help adapt and adjust their learning to the local political realities and context.

By the end of this phase, front-runner countries will have secured cross-government and wider civil society buy-in for the development of their long-term vision and chosen the core delivery mechanism they will strengthen. They will have established the institutional framework for strategic and technical oversight; established systems for quality assurance, monitoring and learning. They will have equipped in-country institutions at national and local levels with the necessary skills, systems and tools to develop their long term vision and test their chosen LIFE-AR delivery mechanism from Year 3 supported by the consortium of technical partners and select who will act as financial agent for the consortium. The preparatory phase will also have established the institutional framework to enable front runner countries to engage with the LIFE-AR Platform.

Annex 7 provides further information on the nature and scope of activities to be implemented during the preparatory phase.

Test and evolve phase: Y3-5

Proof of concept will be established in this phase by piloting the chosen delivery mechanisms in up to 78 locations across the six frontrunner countries – locations will vary in size and population according to each country's context and could be at district, departmental, or ward levels. It is expected to be completed in the first six frontrunners by Year 5 or possibly earlier in those countries building off existing initiatives. It is further anticipated that those countries with accredited NIEs, such as Uganda, will begin to access global climate finance and channel up to 70% to the local level in support of community-prioritised investments in climate action.

By Year 5 frontrunner countries will have agreed the governance for a delivery mechanism, with clear criteria and rules for decision making, started reforms to relevant policies, institutional arrangements and systems to create an improved enabling environment for subsequent scaling up; have tested their chosen mechanism for the delivery of climate finance to the local level; tested planning approaches and tools that enable community prioritisation of investments with effective gender and social inclusion and robust integration of climate information; and undertaken two rounds of sub-national

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planning and investments prioritised by local people in up to 78 locations that build the adaptive capacity of an estimated 4.5 million men and women (see Annex 6 for further details). The MEL system designed during the establishment phase will have been tested and the process of integrating this into national and sub-national monitoring systems started (for example, potentially using the CAMEL methodology² for the diagnostic and strengthening of national monitoring systems to incorporate adaptation). Systems will also be set up and functioning for communicating the approach and early lessons. The learning between the LDCs will now be providing the LDC Platform with good practice guidance for the second cohort of LDCs to develop their own approaches. And this learning will be used by the LDC group to hold discussions with the global climate funds, such as the GEF/LDCF, the Adaptation Fund and the Green Climate Fund and the MDBs to explore how their systems and approaches could be adapted to better support strategic long term institutionalised approaches to tackling the crises of poverty, climate and nature coherently.

Learning from this phase will inform the consolidation of the LIFE-AR delivery mechanisms from Year 6.

Consolidate and scale phase: Y6-10

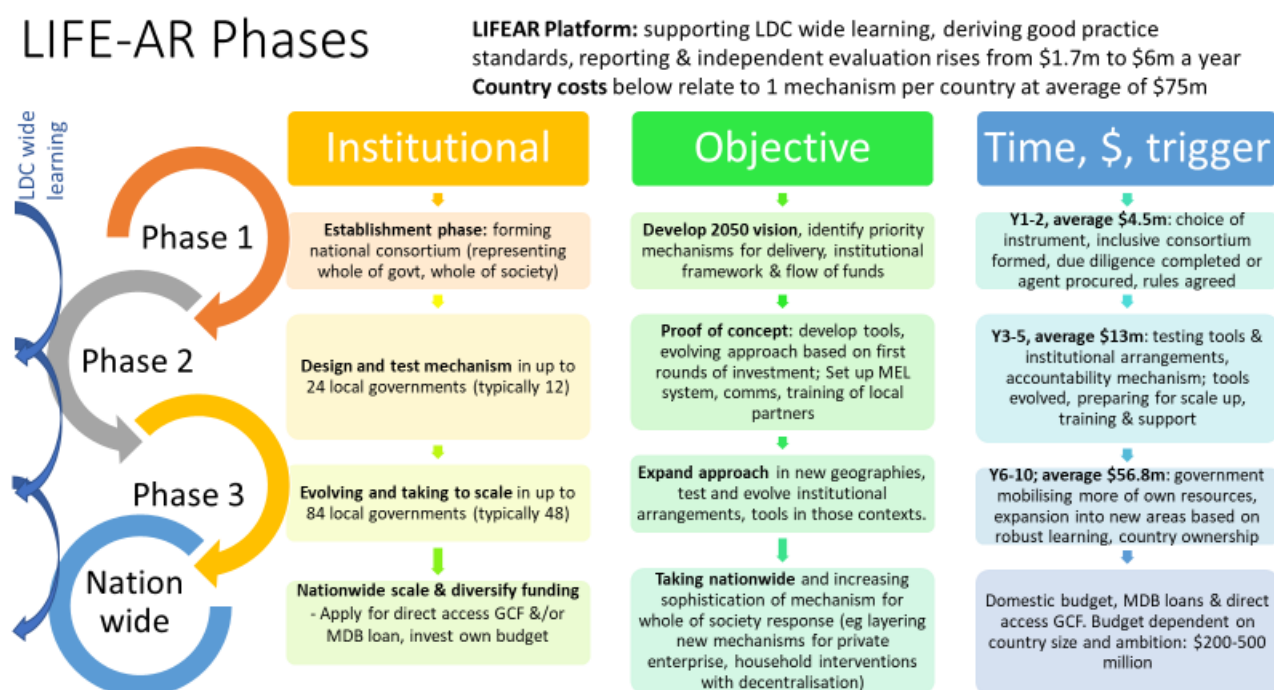
The first cohort of six LDC frontrunners will now have the experience and the technical and financial capacities to take the delivery mechanisms, now tested and strengthened, to scale in progressively more and more locations. We predict that by year 10, we will be reaching up to 295 localities with an estimated 31 million people directly benefiting. However, further refinement and testing of components of the delivery mechanism is likely to be necessary to accommodate different social settings and climate risks for different livelihoods and local economies in different ecosystems and settlement patterns. Training and capacity building for local institutions in the new localities will be necessary, as well as additional training to deepen the capabilities of the actors in the first wave of localities. These activities will however at this point be delivered fully by national institutions with limited inputs from external actors. As this phase completes, the first front runners will be working with the MDBs and global climate funds to complete arrangements for direct access to financing at scale. The learning from the LIFE-AR Platform would be informing wider standards and procedures of the climate finance architecture. The LDCs involved to date would have developed their independent analytical capacity that the governments can draw on for further learning and research – that can also support peer learning in neighbouring LDCs as the final countries start to develop their own strategic delivery mechanisms, with support from the global funds and MDBs.

Year 11 onwards: Nationwide Expansion

The LDC Platform will be expected to close, if the anticipated results of the previous consolidation phase have been achieved. At this point, the first 7 LDCs will have developed delivery mechanisms enabling the governance and investment that supports climate resilient development pathways, reducing poverty and restoration of ecosystems, to deliver the LDC Vision. A second cohort of countries will have initiated the process of scaling up their mechanisms, with others in the establishment and proof of concept phase. But importantly, the international climate finance architecture will also have reformed, to enable strategic country support to the final LDC countries – ensuring no country is left behind. The LIFE-AR initiative will continue to support learning between the LDCs, as the impacts of climate change unfold and further adjustment to development processes are needed.

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Figure 1: Phases to design, test and evolve a single delivery mechanism with a front runner country



Setting up the national MEL system:

Monitoring and evaluation will occur throughout all workstreams to ensure continuous learning and adaptive management informs the direction of work, being flexible to the context in country. Under workstream 1, working with front runner countries LIFE-AR will design a **monitoring, evaluation, and learning plan at country level** (MEL) and an overarching plan that supports learning across the front runner countries. This will involve design of participatory monitoring, evaluation and learning strategies to help stakeholders assess local climate adaptation and resilience so that practices can improve over time. At national level, the MEL design will work within the existing country systems and build on them to assess the contribution of LIFE-AR to national priorities, national reporting and reporting on global frameworks including the SDGs, the Paris Agreement commitments and the Convention on Biological Diversity.

In the initial 2 years, the LIFE-AR M&E system will be designed, aligned to existing national M&E systems. The national climate change and development indicators across Government will be reviewed to determine if they align with the proposed interventions of LIFE-AR and the mechanism M&E frameworks where they exist. Scoping studies and political economy analysis will be done to validate entry points for strengthening national systems. Design of learning processes for adaptive management to assess how evidence generated from LIFE-AR implementation will be fed into and integrated into ongoing projects for improvements will be done as part of institutional LIFE AR design. Adaptive management processes by the frontrunners will feed into LIFE-AR Platform oversight and support – ensuring the LIFE-AR Board (under workstream 2) is able to support flexibility while keeping high standards for cost control and effectiveness of learning and adjustment.

MEL national teams will be set up drawn from existing national MEL teams to support local governments to improve monitoring and tracking of results, as well as to support linking LIFE-AR results into national reporting processes. National theories of change and performance criteria will be

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developed in the second year, linked to the global LIFE-AR ToC and linking to achieving the LDC 2050 Vision. As LIFE-AR aims to build upon existing processes rather than duplicate or create new ones, training of Government staff will be critical and form a key part of this component, for sustainability and for reducing costs and the need to hire external consultants. Climate change MEL training modules will be developed and integrated into the national training systems. Training of trainers will be undertaken to create a resource pool of government staff at national level that can support Local Government implementation processes. An annual fund for internal research will be commissioned to generate research evidence needed to validate assumptions on governance, decision making, gender equality, social inclusion and value for money pieces as necessary.

The MEL system will support the develop of **performance standards** and **transparency and accountability mechanisms** at country level, working with accountability and transparency institutions to track value for money, adaptation effectiveness, transparency of planning and governance systems and guide stakeholders on what is not working well. A reporting mechanism of how countries will report to the LDC Group, and the global LIFE-AR platform under workstream two, will be developed to contextualise log frames on learnings, impact frameworks and finances. LIFE-AR will support value for money, cost-effectiveness analysis and finance tracking of local investments into national public finance and accounting systems. Participatory monitoring, analysis and learning meetings to validate data and results will be promoted so no one is left behind. These will be done through analysis of the evidence produced by LIFE-AR, independent production of data about the effectiveness of LIFE-AR and VFM/cost-benefit analysis of LIFE-AR.

Results expected from workstream 1: front runner delivery mechanisms

The shifts above illustrate the LIFE-AR objectives and therefore the results from investing in the initiative. The expected outcomes will be updated as the frontrunners develop their vision and choose the nature of the delivery mechanisms they will focus on. The LDC Vision aims to achieve climate resilient pathways by 2030. Therefore, in this ten-year period from 2020 to 2030, the following can be expected from the initial 7 frontrunner countries:

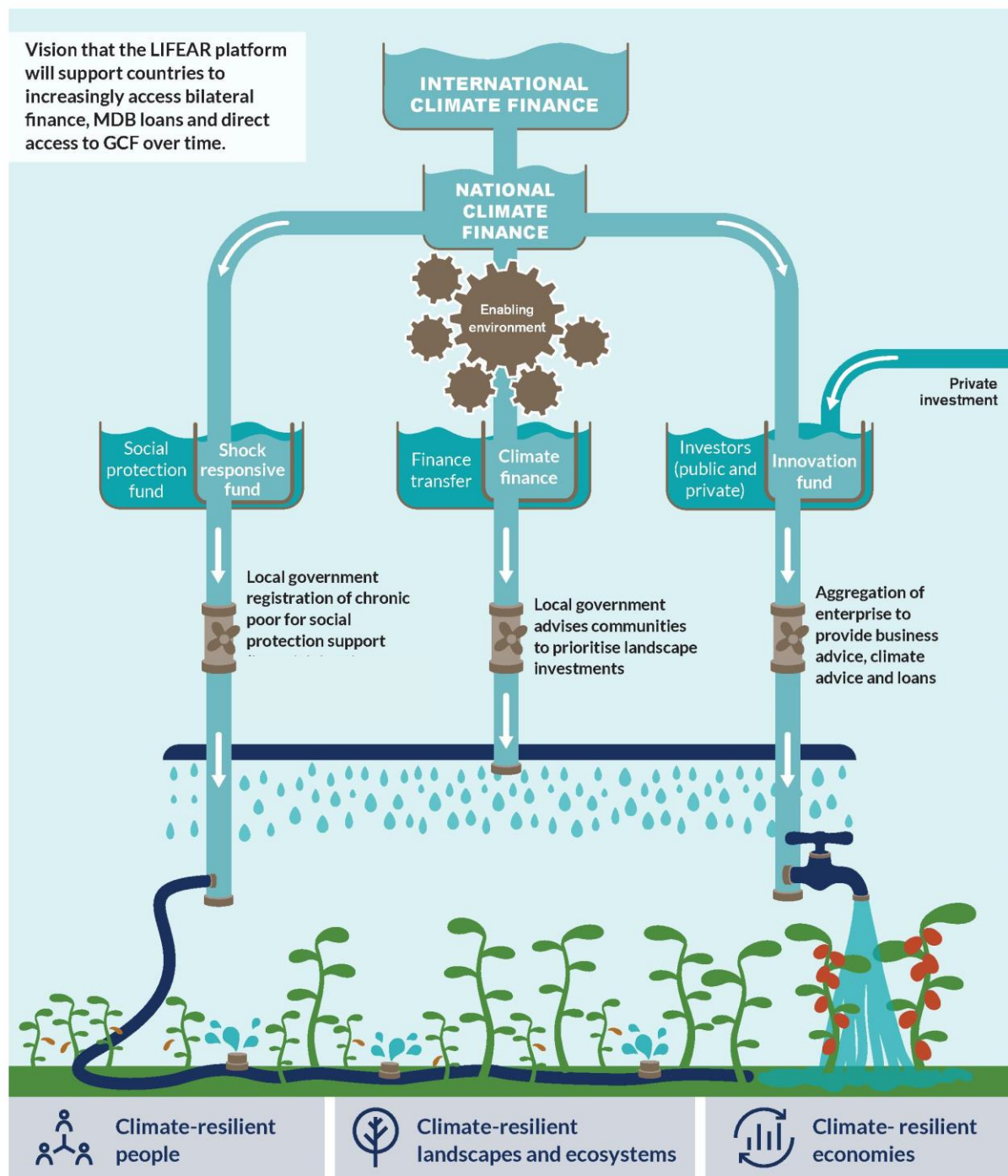
- a. **Coordination:** national task team and consortium in 7 countries establish whole of society responses to achieve a low carbon, climate resilient future, with responses integrated vertically from national to local level, and horizontally across sectors and society.
- b. **Finance:** 7 countries have a coherent architecture for devolving climate finance by 2030, with 70% of climate finance being invested behind local priorities for low emission and climate resilient development. Increased resilience for 31 million people across 7 countries by 2030, due to investments in their resilient landscapes and enterprises, that they prioritised.
- c. **Planning:** Integrated adaptation, resilience and mitigation plans in place at national and local level across 7 countries for the long term to 2050 committed to gender and social inclusion and public accountability.
- d. **Capabilities:** LDC in-country capabilities built demonstrated through 7 countries directly accessing global climate finance by 2030 with a proven track record and the strong and effective national and local institutions and systems required to access MDB and GCF finance on their terms.
- e. **Monitoring and Evaluation:** Effective monitoring systems set up across LIFE-AR countries, strengthening national systems for learning of what works and for reporting nationally and to UNFCCC.

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What is a LIFE-AR delivery mechanism?

Delivery mechanisms are the governance, planning and financial channels, structures and systems that support implementation of the LDC Vision. They can be public or private mechanisms, used to support the building of climate-resilient people, economies or ecosystems, or a mixture of all three (see fig. 1). Several climate plans lack information on how plans will be delivered and the financial requirements for implementation. Presenting the country's specific financing, capacity and technology needs, and outlining the channels for delivery, **building on the existing core development mechanisms** in country, will help clarify where support is needed, helping LDCs and the international community to better target resources.

Figure 2: LIFE AR delivery mechanisms



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An example of a public delivery mechanism is working with existing **national social protection systems** to build climate resilient people. These systems already target the most vulnerable in society including the poorest, the elderly and children through public works, employment guarantee schemes, pensions and school feeding programmes. Integrating climate risk management into the instruments of existing national social protection systems has the potential to support the most vulnerable populations to overcome the climate crisis.

Another example is building on national **decentralised planning systems**, to work with local authorities and local communities to create integrated management approaches to restore damaged ecosystems and invest in public goods for landscape resilience. Given an ecosystem often crosses district boundaries, shared governance arrangements are required between local authorities and local communities to support effective management of ecosystems spanning several jurisdictions and territories. Since an ecosystem also encompasses the forestry, water, agroecology and fishery sectors, an integrated approach across actors and departments working in these areas is required to better address climate risks under the understanding of the wider interconnected nature of a shared ecosystem.

Working with **small- and medium-sized enterprises** to develop climate-resilient value chains is an example of a private delivery mechanism. Through integrating climate resilience into the value chain, from production to processing to marketing of products, this helps ensure small businesses continue to thrive and overcome associated climate impacts, as well as open new markets for climate-resilient products. Innovative delivery mechanisms, including through working with banks, offer opportunities for the channelling of support to local businesses, using new cashless services including mobile money to invest in climate action and reach scale, including to remote, rural areas.

What delivery mechanisms have achieved

The **devolved climate funds** that have been developed in Kenya, Tanzania, Mali and Senegal between 2013-2018 can illustrate the types of investments that communities may choose to make. The following summary of investments may therefore be useful to predict the types of infrastructure and resilient development benefits from LIFE-AR delivery mechanisms that focus on resilient places and ecosystems.

Categories	Kenya - Ada	Tanzania	Mali	Senegal
Number of investments	100 across 5 counties	36 across 3 districts	47 across 3 districts	75 across 4 districts
People reached: direct support	500,000	417,761	750,000	
Funds invested	£2.5m	£1m	£3m	
Additional public investment mobilised	Approx £1m	Unknown	Unknown	
Institutional strengthening for planning and investment	Climate planning committees: 37 Ward; 5 County	Climate planning committees: 10 Division; 3 District	Climate planning committees: 24 Commune; 3 District; 1 Regional	Climate planning committees: 36 Commune; 4 District; 1 Regional
Types of investments	Water provision and governance – focused on domestic and productive uses (farming, livestock) and largely consisting of rehabilitation of and improvements to existing water points with improved governance to improve water quality for improved			

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	<p>health thus resilience to disease and capacity to withstand stress; to improve equitable access to reduce risk of conflict critical for building climate resilience; to capture and store surface water for longer to improve productivity of dry season livelihood activities reducing stress and loss of assets.</p> <p>Land use management – focused on alignment of statutory and local institutional arrangements to promote livestock mobility and preserve dry season/drought reserve grazing to enhance livestock productivity in wet season and minimise land degradation; to minimise loss of productivity/loss of livestock in dry season & drought years while improving equitable access to reduce risk of conflict.</p> <p>Livestock health - focused on improving access to veterinary services and speed of response to large scale epidemics to improve livestock productivity in wet/dry seasons and minimise asset loss in drought years.</p>
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Workstream 2: LIFE-AR Platform for LDC led governance and learning

The LDC Group will establish a collaborative platform for cross LDC learning and dialogue with development partners, to be called the LDC Effective Adaptation and Resilience Platform, **the ‘LIFE-AR Platform’**.

This Platform will provide an **LDC led governance structure** for a pooled fund for the front runners to draw down from, collating and sharing learning across the LDCs and with wider climate initiatives. The decision-making body of the LDC Platform is the LIFEAR Board – and the structure for this is outlined below. The financial mechanism for the pooled fund will be set up under the oversight of the Board – and the proposed arrangements for this are also laid out below. The Platform will continue to draw on the expertise of the LDC advisers, to review experience, quality assure and advise the LIFEAR Board. And the Platform will draw in technical support through service agreements – also explained below.

The Platform will draw from the experiences of the frontrunners to inform LDC engagement with donors and climate funds to **influence the reform of climate finance**, so it is easier for all LDCs to access strategic support for climate action – for example, longer term, more strategic and more accessible readiness support. The platform will support continued regular dialogues between the LDCs and development partners, in line with the principles of the LIFE-AR compact, to use the experience under LIFEAR to improve the global climate architecture and fund systems and procedures, ‘to reduce transaction costs and ensure mutual accountability behind LDC leadership’. The Platform will also support the frontrunners peer to peer learning processes, sharing learning with wider LDCs and international processes (connecting to workstream 3) and support access to international technical assistance when needed (connecting to workstream 1).

The LIFE AR Platform will aim to **be ‘light touch’** – with the majority of effort for the initiative with the frontrunners (workstream 1), aiming not to add transaction costs but rather build LDC capabilities. It will achieve this by facilitating the work of the delivery consortium in front runner countries – where national and local in-country delivery partners agree roles and responsibilities (as outlined in workstream 1), rather than setting itself up as a delivery partner itself.

The Platform will also support the front runner countries to collectively agree **shared standards for the governance of the initiative in each country** and to strengthen and streamline accountability systems, such as for reporting to donors and to their citizens. And to explore how to move beyond investing our limited staff time in the coordination of climate initiatives and instead building close collaboration and convergence across the initiatives working in country, for delivery of the LDC Vision. The LIFE AR Platform will adopt a flexible approach that ensures the LDCs are in the driving seat, meaning the front-runners propose their consortium’s governance arrangements to the LIFE AR

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Platform – demonstrating how this will strengthen their existing structures and fit their national context while being consistent with best governance practice. This good practice will be defined within the Platform through learning across countries, insights and dialogue with LDC advisers and our development partners.

The LDC Group's objective will be to ensure that the LIFE AR Platform will be **short-lived**. Once the LDCs have developed national institutions that can work effectively together to deliver the Vision, and, with development partners support, reform international climate finance so flows are effective, efficient and equitable, the LIFE-AR Platform will no longer be needed. The platform will support the first cohort of countries as well as subsequent cohorts of countries, until they are able to access climate finance and MDB loans directly, but also seek to reform readiness processes of the global funds, so all LDC countries are reached – but the financial mechanism of LIFE-AR is no longer needed. The LIFE-AR Platform will therefore be **time-limited i.e. aiming to close after 10-12 years**. However, the need for its continued existence will be reviewed by LIFE-AR's stakeholders at regular (3 yearly) intervals – in case its close could be earlier, or indeed needs to be later. The LIFE-AR initiative itself - as an LDC wide learning process - will continue beyond the duration of the LIFE-AR Platform, continuing to improve the efficient and effective delivery of climate finance, until the LDC Vision for a climate resilient future is achieved.

LIFE AR Platform establishment and initiation: Y1-2

The central requirements that inform the design of LIFE-AR Platform are that it is: LDC led, simple, efficient to operate and allows LDCs to overcome the challenges of 'business as usual'. These challenges include the high levels of intermediation with associated high transaction costs and lack of local ownership that are resulting in support failing to reach communities that need it most.

In the initial 2 years preparation work will commence to inform the setup, design and development of the LIFE-AR Platform including agreeing the **Board composition**. The Board will assume responsibility for managing LIFE AR Platform's funding within a simple and robust governance framework. The LDC group propose the Board is Chaired by the LDC Chair with the LDC Technical Lead linking to the LDC advisers' quality assurance, with two rotating LDC regional representatives linking to the LDC country experience and with two donor representatives, linking to the wider development partners.

Meetings will be held bringing together donors and the LDC leadership to discuss options for the **governance arrangements, systems and procedures** for the LIFE-AR Platform to operate – and ultimately to negotiate the governance structure that will meet LDC requirements set out above, whilst giving sufficient transparency and mutual accountability for both the LDCs and the donors.

This workstream will also require the engagement of **independent technical and legal support** on the legal and governance structure for the platform and financial mechanism. Experience shows investing early in building consensus across the interested parties will ensure a sensible and streamlined approach to approvals - with strong transparency and accountability. The LDCs will be developing their country consortia and setting out their plans for strategic delivery mechanisms to achieve their vision – as these unfold this platform will provide a space for the donors to understand the initiative and agree the governance arrangements with the LDCs for the LIFE-AR Platform to achieve the objectives set out at the start. This is likely to require some face to face meetings to build this shared understanding. This process will also entail developing a **risk management matrix** for each country and for the Platform as a whole. This is intended to be a live document, enabling the country consortium and the Board to actively manage the risks to delivering the LDC Vision.

We will establish a **governance framework** for the LIFE AR platform which will record:

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- The LIFE AR Vision and Theory of Change;
- Our commitment to wind the LIFE AR Platform up as soon as its objectives are realised;
- The LDC Offer and our Ask of our development partners;
- How we will make decisions, how we will manage ourselves fairly and transparently, and in way that enhances our ability to achieve our objectives;
- The roles and responsibilities of all LIFE AR's stakeholders;
- LIFE AR's Principles and how National Consortia will demonstrate their good practices, and compliance with these Principles;
- How we will measure our own performance, and measure results;
- How we will manage risk.

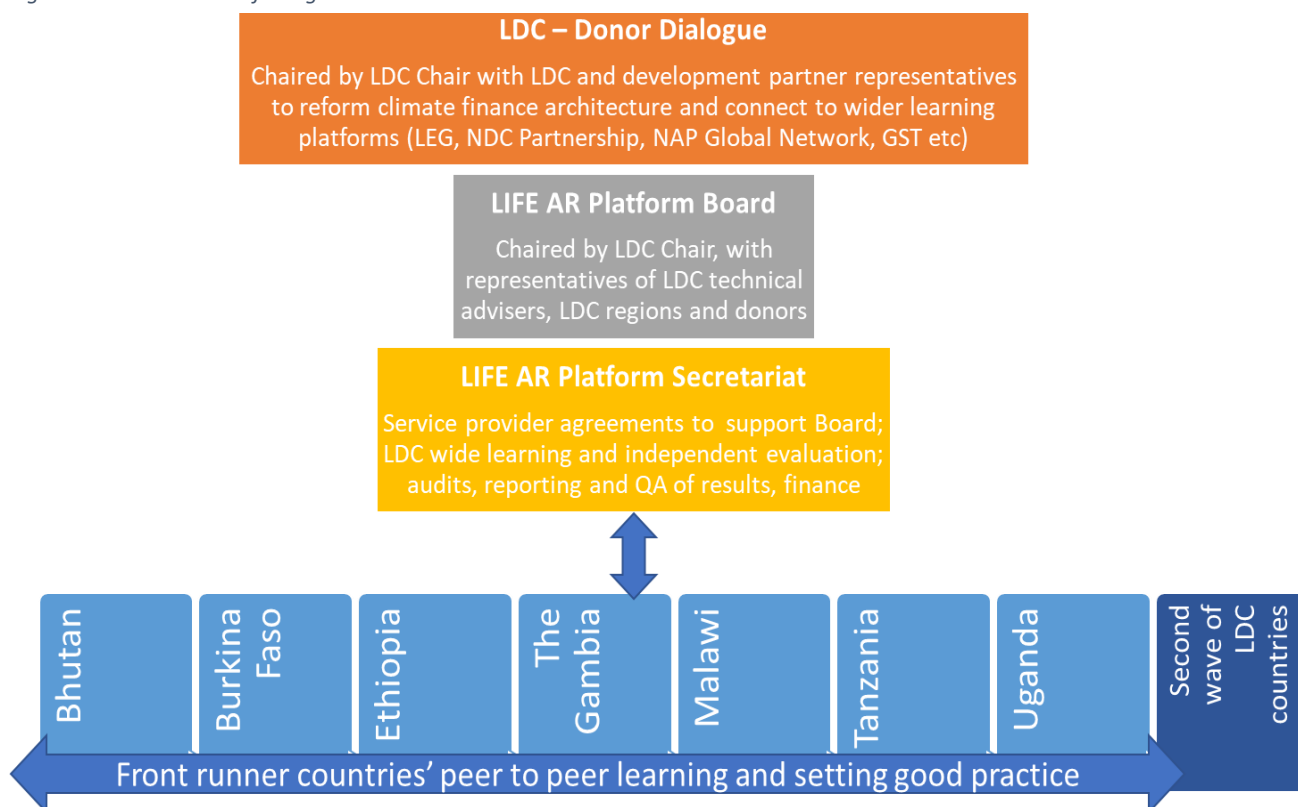
Governance Structure of the LIFE AR Platform

The LIFE AR Platform will need to be able to make and implement decisions, and enter into contractual obligations, in order to undertake its collaborative working and funding activities. In particular, it will need to be able to engage staff and service providers to support its activities (eg auditors, financial management specialists, technical service providers) and manage pooled funds. It will also need to offer limited liability to its members. It may also be preferable for the LIFE AR Platform to offer legal privileges and immunities to its members.

The LIFE-AR Platform will be established either as a not-for-profit company or an international organisation. The choice of vehicle will be decided by the LDC Group in discussion with donors during the initial 2-year establishment phase.

Annex 3 and Figure 3 outlines a potential approach to the governance arrangements of LIFE AR. This will be discussed amongst the LDC countries and with donors to define a structure that meets the central requirements of the LIFE-AR platform without creating undue bureaucracy for a body that will have a sunset clause.

Figure 3: the LIFE AR Platform governance structure



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Governance of the National Consortia

The National Consortia will be responsible for establishing their own governance arrangements, building on and strengthening the country's existing architecture. LIFE AR will support this process by developing guidance and sharing lessons learned from the front-runner countries experience. Front-runner countries will develop their own governance arrangements building on and strengthening their existing institutional arrangements, with an expectation it would consist of a forum for strategic leadership, a forum for technical oversight and the national delivery consortium (see annex 3 for further explanation). The front-runner countries will establish "**National Delivery Consortia**" made up of delivery partners from across the whole of government and non-state actors. The delivery partners will be selected by the LDCs from amongst their best national and local institutions. The National Delivery Consortia will draw in international or regional expertise as needed.

The purpose of the LIFE AR Platform is to support National Consortia to develop mechanisms that deliver flexible finance to the local level, and that can access finance from the global funds. Good practice will be derived from experience in LDCs which will provide guidance to other LDCs as well as to SIDS, Africa Adaptation Initiative, the global climate funds and our development partners.

We will focus our energies from the outset on supporting the front-runners in developing their capacity. LIFE AR will support the work of the front-runners and the LDCs learning collectively around how effectively they are managing their climate finance, and the associated challenges and risks of realising full community engagement in decision-making. The LIFE AR Platform will play a central role in ensuring that the knowledge and learning acquired by the front-runners is disseminated across the LDCs to build a body of tried and tested good practice. This will include training for LDCs on managing climate finance with local community engagement, and the development and dissemination of good practices, model codes of conduct and operating policies and procedures (somewhat akin to a franchise model), supported by case studies and independent evaluation of effective approaches for supporting climate action at the frontier. The M&E reporting mechanism established under workstream 1, will connect the LIFE-AR Platform to the front runner countries to ensure regular narrative and financial reports are reviewed by the LDC Chair, LDC representatives and donors for quality assurance and to assess progress on delivery of the 2050 Vision.

It is anticipated that National Consortia will fill any gaps in their capabilities through appointing in country service providers with a proven track record and experience to provide support and services to the National Consortia – whether this is financial management or monitoring, with the purpose of building the national systems. This would be done under an "agent-based model", whereby the agent supports the National Consortia while the ultimate institutional mechanisms – perhaps climate funds that deliver through one or more core development interventions - are strengthened and their own track record is proven. The agents would be national bodies that have proven track record of building systems and capabilities including tackling fiduciary risk for onward granting, and higher risk financing. If the country prefers an international body, they would be contracted with a sunset clause and clear requirement of ensuring national systems are built for direct access. The agents would be expected to support the National Consortia in meeting the due diligence standards of the global climate funds. Each National Consortium, with support from LIFE AR, will define criteria and assess the options for procuring such support and services e.g. from multilateral and bilateral partners/UN, regional banks, or specialist partner(s). Good practice in strengthening the governance of climate finance - derived from the experience of National Consortia and the LIFE AR platform - would also be shared with donors and the global climate funds to support more effective due diligence processes. Putting the country consortia in the driving seat to define roles and responsibilities, the governance arrangements and select their service providers is essential to shifting the power dynamics for the LDCs.

The LIFE AR Platform will support the National Consortia in developing good practices. It will develop a 'light-touch' approach to ensuring that National Consortia comply with the Principles in

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their collaboration with the LIFE AR Platform. Under this approach National Consortia will demonstrate that their own practices in managing climate finance are consistent with the Principles, using independent external facilitation where it is needed. This again puts the country in the driving seat, shifting the power dynamics.

Flow of Funds from International to Local Level

Figure 4 Flow of funds arrangements before and after coherent national architecture is developed

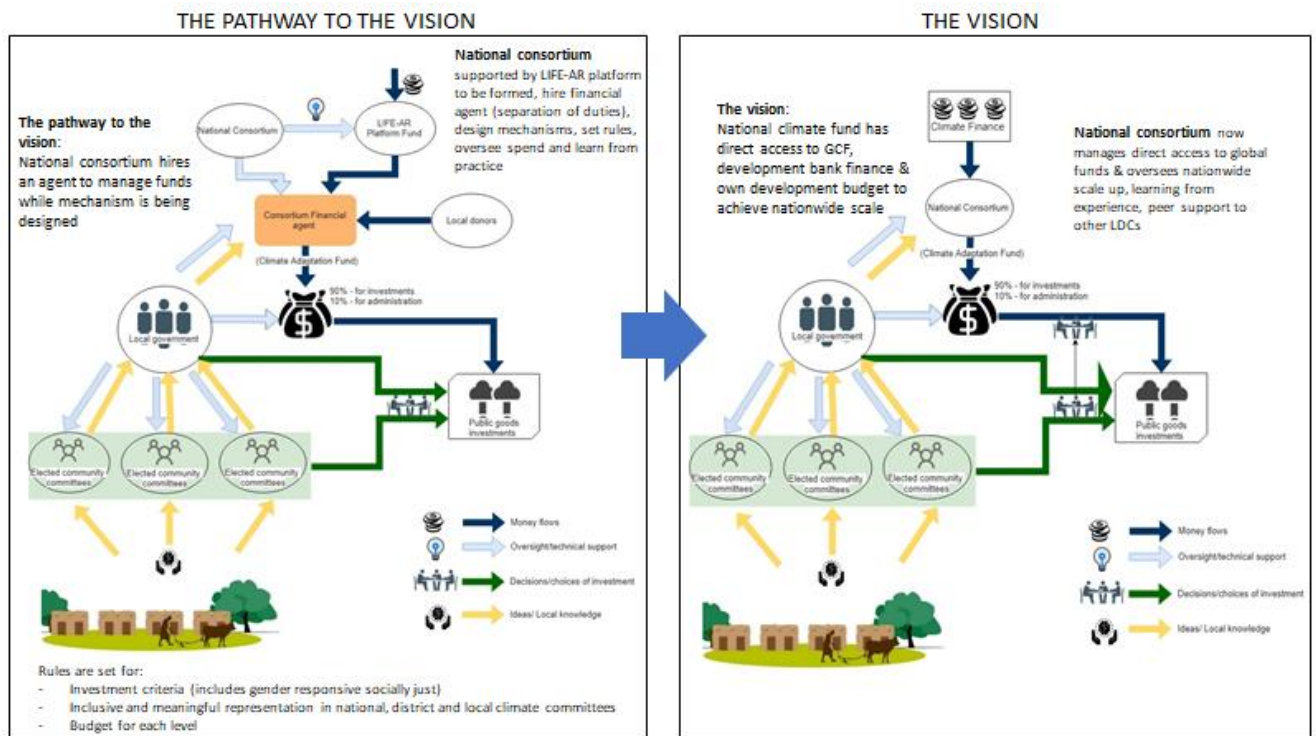


Figure 4 illustrates how LIFE AR would ensure the flow of funds builds on existing in-country arrangements and strengthens the institutional capabilities over time whilst meeting global funds due diligence requirements.

Interim Arrangements before LIFE-AR Platform establishment

It is important that LIFE-AR 'hits the ground running' with support reaching front runner countries for their establishment activities while the LIFE-AR platform is being set up and governance arrangements are designed and agreed. It is expected these interim arrangements will last for two years.

The LDC Group considered the options for a partner to support the interim period before LIFE-AR platform is operational and selected IIED to act as the agent of the LIFE-AR Board. This is because the LDC Group has forged a successful partnership with IIED on developing the initiative to date and wishes to ensure continuity in this work. IIED has experience of successfully supporting the development of National Consortia with governments in a number of contexts including Devolved Climate Finance in Kenya, Tanzania, Mali and Senegal and of hosting institutions as they develop (eg ICCAD, IED Afrique or ICMM).

The LDC Group therefore proposes to continue to work with IIED in the interim phase of the LIFE AR Platform establishment. The LDC Group will request IIED to establish a company to give the LDC Group the capacity to take the initial actions. The company will be established on an interim basis pending decisions during the interim phase over how the LIFE AR Platform should be established (ie as an international body or not) and agreeing its governance arrangements. The company will be wound up as soon as it is no longer needed. It is anticipated that this would not exceed two years.

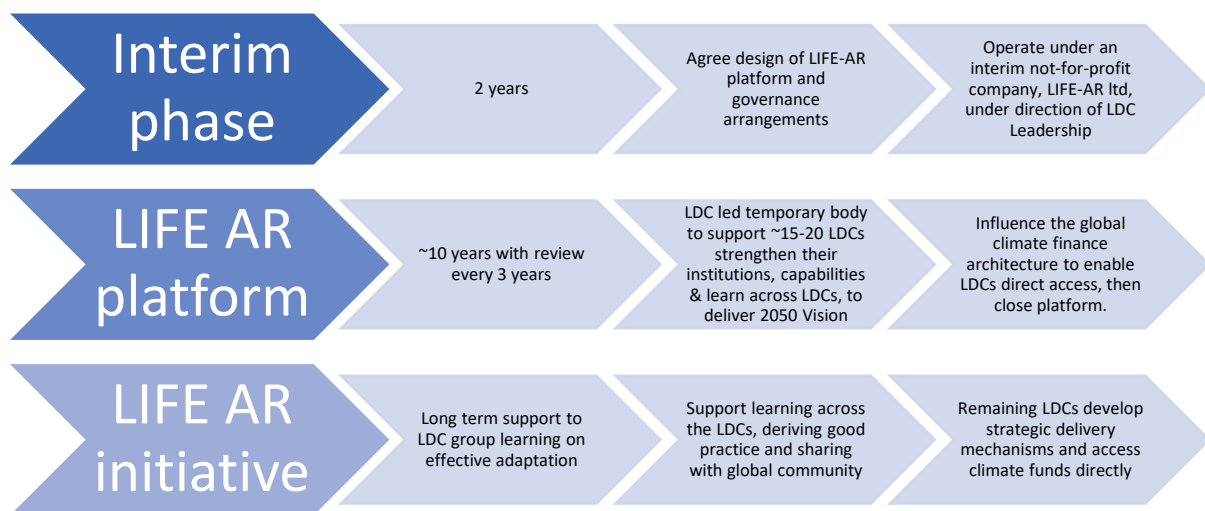
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The company must:

- Be LDC led
- Provide a simple and robust governance framework
- Offer limited liability
- Be simple and cost efficient to set up and operate
- Allow the LDC Group to engage the resources required to implement the Vision

Figure 5 below outlines the timeline for the interim phase and establishment of the LIFE-AR Platform. Further information on the establishment of the interim company is set out in Annex 4, explaining how IIED would act on behalf of the LIFE-AR Board in its role as the legal member of the interim company and according to the fiduciary standards required by IIED's Board and its legal status as a UK charity, regulated by the UK Charity Commission and UK Charity Governance Code.

Figure 5: LIFE-AR timeline



Results of Workstream 2:

- LIFE-AR Platform** established to support front runner countries and serve as an LDC led and LDC wide governance structure for the initiative, bringing together LDCs and development partners in line with principles of the compact.
- LIFE-AR Financial Mechanism** is operating effectively as a pooled fund with low transaction costs and strong fiduciary management, providing LDC countries' LIFE-AR delivery consortia and communities of practice with finance until they are able to access climate finance directly.
- Front runner governance:** 7 countries have strong systems of accountability with meaningful representation of women, young people, those living with disabilities and other disadvantaged groups in decision making and inclusive and transparent systems of monitoring and learning.
- Reform of climate finance:** LIFE-AR Platform influences global climate architecture to enable LDC direct access evident through reform of climate funds to support LDC needs and priorities.
- Reporting mechanisms agreed between LDCs and donors** including quality assurance mechanisms linked to national M&E financial and narrative reporting in front runner countries.

Workstream 3: LDC Community of Practice deriving good practice guidelines

Globally, LDCs have led much innovation in climate responses due to their decades of experience in managing climate risks and in earlier delivery of climate adaptation and forestry and land use

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programmes³. This initiative aims to draw in the experience of initiatives and projects to date, ensuring this knowledge and best practice and ensure it is shared across LDCs, leaving no LDC behind.

Experience will be shared by front-runner countries through clusters based around regions or mechanisms, for the sharing of learning from across the initiative and to ensure that the most vulnerable LDCs, including those facing conflict, insecurity and fragility, also benefit and are not left behind in climate resilience efforts. This experience and learning will be used to inform the development of **shared good practice guidance**, through the national consortia of partners, reflecting on experiences in country and collectively across LDCs. Where good practices emerge, countries will be supported in offering peer to peer support. The regional clusters will also support the emergence of the 'second wave' of countries stepping up under LIFE-AR as the next cohort committed to deliver the 2050 Vision.

Building on Phase 1, LUCCC's LDC university members will continue to engage LUCCC experts, as well as wider LDC experts, to develop a strong **community of practice that generates an evidence base** to support front runner countries in understanding what works, sharing experience and providing support. Evidence will be generated on decision making processes and delivery of local investments as well the value to different parts of the communities around variables such as resilience, gender equality and social inclusion, vulnerability and climate risk management. This generation of evidence will be agreed in discussion with front runner stakeholders, with methods appropriate to context and issues under investigation. For example, quasi-experimental household surveys in 3 phases could be undertaken to contribute to the evidence of strengthening institutions and effectiveness of the approaches. Also, using institutional scorecards for climate risk management, local governments would also build their understanding of how to integrate climate change into their development plans, budgets and operations - strengthening long term climate risk management and thus governance and planning.

Adopting an **adaptive management approach**, ensures continuous learning and evidence informs the direction taken in LIFE-AR institutional design, adapting to the context and responding to opportunities for improvements as they arise. Adaptive management processes will be adopted by the frontrunners feeding into LIFE-AR Platform oversight and support –with learning on this approach shared across front runner countries for peer to peer support and LDC-wide learning.

The design of the approach to this community of practice will seek to draw in and **engage existing global initiatives**, such as the LDC Expert Group's NAP guidance, NDC Partnership, NAP Global Network and utilise opportunities to engage and collaborate through existing regional processes, including the African Union, Regional Economic Commissions, such as EAC, ECOWAS, IGAD and SADC, the African Adaptation Initiative, DCF Alliance, ICIMOD and Pacific Islands Forum, to ensure LIFE-AR experience and learning is shared at these regional platforms and to learn and benefit from other country initiatives. Experience and learning will be shared by the front-runner countries with LDCs and Small Island Developing States (SIDS) that make up the LDC Group, building on the review of evidence of what works in effective support for resilient development⁴, strengthening dissemination, learning and supporting knowledge management.

Under this workstream, meetings will be held at global and regional level to document, develop and share peer to peer learning and generate good practice guidance on effective adaptation and resilience practice. As noted above, as much as possible, this workstream will link in with existing global and regional processes rather than duplicate or create new ones, aiming to build LDC cross group learning and position LDCs as global leaders sharing expertise worldwide.

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An independent evaluation will be supported including formative, mid-term, impact and end term analyses. These will be done in 3 phases over the 10 years, one at the end of the 2-year establishment phase, a mid-term one after the second phase at year five and the final one after the 5 years of consolidation and scaling. Additional pieces on impact and effectiveness may be commissioned based on country needs. This will link to country SDG, UNFCCC and national reporting on policy priorities informed by wider LIFE-AR investments, to draw lessons to improve implementation and linkages across Government.

Results of workstream 3:

- a. **Communities of practice** support regional clusters and those developing similar delivery mechanisms, to distil LDC wide learning of good practice and develop guidance and peer support, with a focus on engaging those LDCs often left behind
- b. **‘Second wave’ of LDCs identified** as next cohort stepping forward to deliver LDC Vision
- c. **Learning processes for adaptive management** distilling lessons across countries and effectively supporting LIFE-AR Board and national delivery consortia.
- d. **LIFEAR informs global good practice** through the evaluation, robust analysis of effectiveness of mechanisms and capturing the tacit learning of how to support countries development effective responses.

5. Budget analysis and value for money

The costs estimated for LIFE-AR costs over 10 years are based on support for the first six front runners. LIFE-AR intends to budget annually with 6 monthly budget reviews at national level, quality assured by the LIFE-AR Board, to allow adjustment given the context – ensuring effective cost control and responsiveness to emerging opportunities and challenges.

Cost drivers are largely around the choice of mechanism chosen by the countries and the speed of scale up. This budget is built on the assumption that the devolved climate finance approach will be the primary backbone of the initiative for the six frontrunners and on middle scenario for speed of scale up (this scenario is in Annex 6 setting out numbers of local governments and proportion of population reached, with associated results and investment budget). It currently assumes each local government can invest effectively against the agreed criteria and LIFEAR principles and so are given performance related increases of investment budget each year from 6 on. This again is considered to be a middle scenario of success.

Analysis of the budget suggests that 92% of the budget would be for the six frontrunners, with the remaining 8% ensuring good governance across the initiative, deriving good practice standards from the frontrunners experience and supporting outreach to further cohorts of LDC countries. 76% of the budget for the frontrunners would be investments in resilience behind local people’s priorities – and this is 70% of the budget for the LIFE-AR initiative as a whole. Set up costs in the early years explain this and by the final year, the local investment budget is 87% of the overall costs of the initiative. At the country level, the technical support costs would build the governance and accountability of the mechanisms, strengthening national systems for monitoring and learning, for the integration of robust climate information in decision making systems and analysis and research to inform the adjustment of approaches with experience.

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LIFE-AR summary budget

	Establishment Phase (Y1-2)	Design and test phase (Y3-5)	Evolve and scale phase (Y6-10)	Total (ten years)
Average front runner's delivery mechanisms technical support	\$0.8m	\$4.7m	\$8.8m	\$17.3m
Average front runner's local investment	\$0.09m	\$8.4m	\$47.4m	\$56.3m
Total for 7 front runners	\$6.1m	\$91.8m	\$393m	\$515.9m
LIFEAR Platform governance, peer to peer learning and donor dialogues, QA and audits	\$2.1m	\$11.6m	\$26.4m	\$42.6m
Admin fee	\$0.1m	\$1.5m	\$5.2m	\$7.5m
Total	\$8.4m	\$104.9m	\$424.6m	\$566m

Value for money

The Economy, Efficiency and Effectiveness of Value For Money (VFM)

LIFE-AR will work with experts in country, with clear leads established within government to oversee this work as part of the task team. LIFE-AR will be strengthening national institutions and systems, so the majority of technical support and governance of the mechanisms will be delivered through government staff. Further technical advice, community engagement and additional support to processes of learning and strengthening systems will be delivered by country stakeholders as far as possible – ensuring international or regional support is limited to backstopping and coaching.

The LIFE-AR principle of delivering at least 70% of climate finance to the local level will ensure careful oversight of cost drivers for cross LDC learning and engagement as well as for wider influencing of development partners and the climate funds.

The LIFE-AR principle of transparency and building systems of accountability both up to the donors and down to citizens will also support close scrutiny of cost drivers, such as the number of learning events or technical workshops – with a strong justification of costs being required when communities are given full sight of budgets.

LIFE-AR will build upon existing events and regional processes rather than create new ones, utilising existing networks to draw in experience and evidence from LDC experts and researchers as well as from the knowledge generated from relevant resilience programmes. The LDC Group will ensure the activities align with the existing LDC calendar of events including COP, LDC Strategy Meetings and Bonn Intersessional, building upon a long history of trusted relationships with the front runner country governments, reducing the costs of initial support.

Through Economy

Personnel Costs:

- The LIFEAR Board will hold responsibility for selecting service providers to provide core functions.
- We have put together a strong LIFE-AR core team for the initial year as the LIFEAR Board is set up to facilitate and support the LDC group – ensuring the LDCs continue to lead and shape the work.

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The team has a unique combination of experience and skillsets to ensure delivery of quality outputs against the milestones within the agreed budget and time.

- The management time (technical and project management) is adequate to ensure good value for money through robust financial management and strong controls for an efficient and cost-effective process.
- We have allocated a flexible demand driven resource for bringing in specific technical expertise to support front runner countries and for establishment of the LIFE-AR Platform e.g. on development of delivery mechanisms, for analysis and fiduciary management. This will allow us to bring in technical experts as and when required based on the demands as they arise and enable us to respond proactively to any gaps in knowledge and capabilities. Local expertise will be grown through peer support and through national, regional or international expertise providing coaching and mentoring on a demand driven basis.

Keeping costs down:

- We have only included reasonable costs required for the delivery of the activities and outputs
- Agreeing standards across countries and transparent budgets will ensure all expenses are scrutinized and all expenses will be incurred within the set budget parameters agreed by the LIFEAR Board.
- We will limit trips (economy price and tracking carbon emissions) but ensure effective project delivery and the development of communities of practice. Technical support will be sourced locally or regionally as far as possible through the initial establishment of task teams and delivery consortia in front runners' countries.
- As much as possible meetings will be virtual, to be cost effective and carbon efficient. We will also use the opportunity of existing global and regional meetings e.g. COP, Bonn Intersessional and links to existing regional processes e.g. African Union to hold joint or combined events. This will help draw in evidence and experience from LDC experts and researchers as well as from the knowledge generated from relevant resilience programmes.

Through building on trusted and strong networks and partnerships:

Some 'savings', or contributions, cannot be estimated as they are of incalculable value – such as the track records and knowledge bases of some experienced LDC experts, their established networks or the vast country contextual knowledge of some of our LDC members and core team. This offers exceptional value for money on this programme, details of which are listed below:

- **Strategic and Trusted Relationships**- LDC Group on climate has a long standing strategic and trusted relationships with its members and respective governments, and trusted partnerships with resilience practitioners, southern and international bodies, drawing on a huge network of expertise and experience.
- **The LDC Advisory Group** contributed their technical advice, guidance and time to the initiative on a voluntary basis, all the more significant considering that many of the members are in full time employment.
- **The network of LDC practitioners and resilience partners** -comprising resilience and adaptation experts from LDC governments, civil society, academia, international accredited entities, climate funds, the LDC Expert Group (LEG) of the United Nations Framework Convention on Climate Change- all contributed technical advice and guidance to the initiative for free, and the global call for evidence on effective adaptation and resilience received 100 submissions contributed for free.

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These technical inputs have formed the evidence base for the initiative and Vision, and we will continue to build upon these networks and expertise going forward.

- **Existing national and sub-national staff** - the front runner governments have extensive infrastructure and personnel already embedded in their respective countries. This includes expert advisors, administrative staff, vehicles, buildings, and networks of relationships with practitioners, researchers and policymakers that can benefit LIFE-AR's in-country activities.
- **Sustainable use of Funds** -The learning, guidelines, peer to peer support and community of practice materials will all be made publicly available and disseminated widely, representing significant investment in future value for cross LDC learning and ensures that products will be embedded in future practice, training and capacity building activities.

Through Efficiency

By maintaining efficient and supportive organisational structures, procedures and networks

As part of the LIFE-AR Platform, we will establish a high calibre Board representing all our stakeholder groups (LDC Chair, LIFE-AR Technical Lead, development partners, LDC experts) to oversee the quality of our work and its alignment with our mission. The role of the Board includes guiding the programme and ensuring the appropriateness and effectiveness of plans and budgets for delivery of the LDC Vision.

By leveraging LDC in-house capacity and external resourcing

The LDC's network of experts, advisers and partners are our key asset and we endeavour to continue to engage these experts in LIFE-AR across all our front runner countries in the most efficient and appropriate way possible.

In front runner countries, the selection of the consortium members will follow a process of assessing capability and value against the objectives of the LDC Vision, ensuring the most appropriate partners are selected, and have the capacity to deliver on our objectives. We will build upon the existing skills, institutions and capabilities in country to identify the best partners and institutions to join the national consortium and support delivery of the LDC Vision.

At regional and international level, we will utilise our existing network of LDC expertise to draw upon and our existing resilience and adaptation network of partners, to further guide the initiative and ensure LDC-wide learning. LIFE-AR will continue to join the dots with existing initiatives and events rather than duplicate or create any new ones, to ensure knowledge is shared across a wider network for learning.

Through Effectiveness

Ensuring quality of timely delivery through governance structure

- Establishment of LIFE-AR governance structure to guide and support front runner countries, linked to the task teams and consortium of partners in country to monitor and report on delivery of objectives
- Establishment of an LDC-led Board to provide quality assurance and review of all deliverables, ensuring in line with the LDC Vision and to ensure shift away from business as usual

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Ensuring quality of deliverables through strong Monitoring, Evaluation and Learning

Monitoring, evaluation and learning have been embedded throughout each workstream to ensure high quality work is delivered through an adaptive management process, ensuring learning continually informs the process with flexibility at its core.

- Design of participatory monitoring, evaluation and learning strategies to assess local climate adaptation and resilience so that practices can improve over time. Participatory M&E processes ensures communities are empowered to monitor and report on quality of investments and ensure they are in line with their priorities for effectiveness.
- At national level, the MEL design will work within the existing country systems with existing MEL staff, and build on these structures to assess the contribution of LIFE-AR to national priorities, national reporting and reporting on global frameworks including the SDGs, the Paris Agreement commitments and the Convention on Biological Diversity. This will ensure the work of LIFE-AR is captured and informs existing national processes and does not work outside of or duplicate these existing reporting systems and channels.
- Front runners will be connected to the global LIFE-AR Platform for oversight, quality assurance and support – ensuring the LIFE-AR Platform (consisting of LDC Leadership and development partners) is able to support the front runners while keeping high standards for effectiveness and delivery of the LDC Vision.
- Adopting an adaptive management approach, ensures continuous learning and evidence informs the direction taken in LIFE-AR institutional design, adapting to the context and responding to opportunities for improvements as they arise. Adaptive management processes will be adopted by the frontrunners feeding into LIFE-AR Platform oversight and support – with learning on this approach shared across front runner countries for peer to peer support and LDC-wide learning.
- Independent evaluations will be undertaken including formative, mid-term, impact and end term analyses. These will be done in 3 phases over the 10 years, one at the end of the first 2-years, a mid-term one at year five and the final one in year 10. These evaluations will help to independently assess progress being made and present key findings and recommendations to the LDC Platform for review, ensuring key deliverables are being met and high quality maintained.

6. Given other climate initiatives, why is LIFE-AR needed?

In proposing a new initiative, the LDC Group is conscious that the climate finance landscape is already characterised by complexity. Indeed, this complexity is often one of biggest barriers that LDCs face in accessing climate finance.

We therefore commissioned a thorough independent review to establish that the LIFE-AR Platform can be justified as being needed in addition to that which already exists, and that there are no plausible, quick ways in which current aspects of the climate finance architecture could be amended to meet the objectives of LIFE AR.

To this end, the independent review defined five attributes of the LIFE AR initiative⁵:

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- **LDC focused:** Strong or exclusive focus on supporting LDCs, in light of their specific vulnerabilities to climate change as identified in the Paris Agreement
- **Investing for the long-term to build an institutional legacy:** Building LDC capabilities, institutions and structures, to deliver climate finance in the short, medium and long term which can cut across conventional categories of actors and sectors.
- **Reshaping power dynamics for LDCs:** supporting LDCs to redefine the relationship between themselves, donors and other development partners so that LDCs themselves determine their climate priorities and address these using their own systems
- **Subsidiarity of decisions:** supporting the devolution of decision-making to the lowest appropriate level and seeking community participation in decision-making
- **Adaptation-focused:** focused on adaptation needs, recognising the acute needs for adaptation finance in LDCs and the recent recommendation by the UNFCCC Standing Committee on Finance for ‘developed countries and climate finance providers to ... consider policies to balance funding for adaptation and mitigation’

The independent analysis⁶ examined 28 different climate funds that share key similarities with LIFE AR against these criteria. 17 of these climate funds are identified in the ‘Climate Finance Explorer’ of the NDC Partnership Page. The funds are only included in the exercise if they i) provide finance to public entities at the national, local or regional level; ii) allow funding to be used for improvements in the enabling environment and building institutional capacity, or scoping and project preparation, or project and program implementation; and iii) have a focus on adaptation or cross-cutting opportunities⁷. The analysis further excludes funding mechanisms with a specific sectoral or geographic focus. In addition, the reviewers considered a further 10 ‘Tools’ from the Climate Toolbox of the same website and reviewed whether those tools provide technical support for: assessing needs and capacity; or helping to establish institutional arrangements and engagement with stakeholders; or supporting the identification and analysis of climate actions; or contributing to the development of sub-national adaptation implementation plans; or supporting the financing of NDCs at the national or sub-national level⁸. Again, tools with a specific geographic or sectoral focus were further excluded. In addition, based on stakeholder engagement, the reviewers included the NDC Partnership itself.

Annex 5 shows the summary results of the analysis, with further explanation of the scoring criteria available in a supplementary spreadsheet, along with full references and explanatory notes of the analysis. It shows that **none of the identified mechanisms bear close similarities to LIFE AR**. Of the climate funds, the Adaptation Fund and Pilot Program for Climate Resilience share the most similarities. However, the former places less emphasis on subsidiarity than LIFE-AR intends, and institutional strengthening only takes place through individual projects, while the latter, as it is implemented exclusively through MDBs, is not focused on re-shaping power dynamics. Of the tools, the NAP Global Network Support Hub is the most similar, but this tool lacks emphasis on subsidiarity of decision-making and only has a limited focus on re-shaping power dynamics. Moreover, as the work evaluating success in reform processes suggests, simply seeking to reform the structures and policies in existing institutions in an attempt to emulate the characteristics of LIFE AR, without fundamentally changing the incentives that these actors face, could be challenging and time-consuming⁹.

It is hoped, however, that through engagement between the LDCs and development partners in the Partnership Forum, meaningful reform in these Funds can be delivered. Once the LDC countries can directly access the funds and the existing architecture is therefore fit for delivering effective climate finance for the LDCs, including to the local level, the LIFE AR Platform would be closed. This decision would be made through the three yearly reviews of the LIFE AR platform.

7. In conclusion

The LDC Group, despite being the least responsible and most affected by climate change, has taken decisive action to step up our ambition in response to the climate crisis. We recognise that business as usual responses to climate change are not working for us. We developed and launched LIFE-AR with

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the purpose of supporting this shift away from business as usual to a more effective, more ambitious climate response, that ensures support reaches our most vulnerable countries and communities, with no one left behind. LIFE-AR serves as one of the primary vehicles for delivering our 2050 Vision for a climate resilient future, which aims for LDCs to be on climate resilient development pathways by 2030 and reach net-zero emissions by 2050.

This LDC Strategy document sets out the approach under LIFE-AR for the next ten years at local, national, regional and international level. Our six front runner countries are committing to delivering our vision and offer, through whole of society approaches, integrated planning, innovative delivery mechanisms that reach local level, more inclusive governance of decisions, with a focus on building our own capabilities and institutions from within. At regional level, our clusters and communities of practice will ensure front runners can effectively learn from each other on this journey, and ensure other LDCs, especially those left behind, are also part, and to inspire the ‘second wave’ of LDCs to step forward. At international level, we will establish a LIFE-AR platform that brings the LDCs and international community together as equals, in line with the principles of our compact, where we can discuss and agree solutions for overcoming this climate crisis together.

The LDC Group has approved the approach set out in this LDC Strategy Document and seeks the support of our development partners in delivering the LDC 2050 Vision.

Sonam Wangdo, Bhutan Chair of the LDC group

Gebbru Jember Endalew, LIFE AR Lead Expert of the LDC Group

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Glossary

CLG – Company Limited by Guarantee – as an interim arrangement, a not-for-profit legal entity would be set up to serve the LIFE AR purpose and objectives, behind LDC leadership.

IATI – the International Aid Transparency Initiative is a collaborative mechanism between development partners – government and philanthropic donors, developing countries and technical support providers - to track aid flows to their end use and collate results. It relies on all partners joining the initiative and reporting financial flows and results.

LIFE AR Board - the composition and role of the LIFE AR Board will be determined during the interim period. In the interim period, the Board will be composed of up to 7 individuals, with relevant skills and experience, including the Chair of the LDC Group, the LDC Technical Lead, 2 representatives of the LDC countries (rotating across regions and including front-runners), 1-2 representatives of the development partners, representation from IIED in the interim period, and filling any skills gaps through recruitment of independent individuals with relevant skills as well as experience of working with LDCs.

LIFE AR Ltd – for the 2 year interim period, whilst the LIFE AR platform is designed, the LDC group is instructing a trusted partner to form a company limited by guarantee, to act on their behalf as a financial mechanism to ensure LIFE AR can hit the ground running.

LIFE AR Partners Forum - The Partners' Forum is a potential governance structure to bring together wider representatives of the LDCs and our development partners and will be responsible for monitoring that the LIFE AR Platform is providing effective support to the realisation of the Vision

LIFE-AR Platform – a collaborative working and funding 'platform' to be called the LDC Effective Adaptation and Resilience Platform, LDC led support to our countries designed for the attributes: *LDC focused; investing for the long-term to build an institutional legacy; reshaping power dynamics for LDCs; subsidiarity of decisions; adapting to climate resilient development pathways.*

LIFE AR Technical Advisory Panel – is a potential part of the governance structure made up of technical experts from LDCs and beyond on adaptation and development. The Panel would advise the Board on technical and budget support to the front runners.

LDC REEEI – the LDC Renewable Energy and Energy Efficiency Initiative for Sustainable Development

LDC 2050 Vision – sets out the LDC long term objectives for low emission and climate resilient development, our offer for strategic and effective climate responses and our ask of the international community.

LTS - national Long-Term Strategies

LUCCC - the LDC University Consortium on Climate Change

National Delivery Consortia or National Consortia will be made up of delivery partners from across the whole of government and non-state actors. Delivery partners will be selected by the LDCs from amongst their best national and local institutions. The Consortia will draw in international or regional expertise as needed

Annexes

Annex 1: Examples of work proposed in Front Runner Countries

Front runner countries will have the opportunity to take the LDC Vision forward in country through development of their own National 2050 Vision, for example through a Long-Term Strategy, or should an existing long-term Vision exist, strengthen this and operationalise it, in line with the LDC Vision. Front runner countries will also decide which delivery mechanisms they wish to design and implement in country to support achievement of the LDC Vision and emergence of climate resilient people, economies and landscapes. The examples below set out the direction being set by some of the first front runner countries stepping forward.

Front-runner Country: Uganda – Decentralised Climate Finance (DCF) delivery mechanism

Under LIFE-AR, the Government of Uganda is seeking to design and implement a Decentralised Climate Finance (DCF) delivery mechanism to help achieve the LDC Vision for a climate resilient future, to support the channelling of support to local level and the building of national and local structures and capabilities. The DCF is a mechanism which enables Local Government access to global and national climate finance on a regular and sustained basis. The DCF mechanism is embedded within the institutional and financial architecture of existing decentralisation structures in government, to channel funds from national to local levels as part of government planning, budget, decision-making and M&E systems. The DCF aims to institutionalise a decision-making process within local government that strengthens community control of their adaptation priorities and greater social inclusion and accountability.

In Uganda, the DCF mechanism will aim to strengthen the capacities of government, primarily local government, to adopt a more climate-resilient development pathway using strategies that also protect and empower the vulnerable. There are four areas of capacity strengthening:

- (i) **Finance:** the DCF will strengthen existing legal, financial and fiduciary frameworks and standards to access climate finance on a regular and sustained basis from accredited National Implementing Entities (NIE) of the Green Climate Fund (GCF), the private sector and other sources.
- (ii) **Public participation:** the DCF will enhance current approaches and tools for public participation to ensure greater social inclusion and public accountability in the design, implementation and monitoring of district government policy and the prioritisation of investments to build climate resilience.
- (iii) **Climate information:** through the systematic use of climate information, the DCF will further integrate climate change and resilience into district plans and budgets, promote cross-sectoral planning at different scales to address current climate risks while also preparing for more radical climate change in future, and further align local government and community planning.
- (iv) **Monitoring and evaluation:** the DCF will strengthen existing monitoring and evaluation systems so that local governments can assess and report on the effectiveness of their institutional arrangements for climate risk management as well as the outcomes of their investments in climate-resilient development.

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Front Runner Country: The Gambia – Developing a 2050 National Vision through a long-term, low greenhouse gas emission development strategy (LTS)

The Gambia's government has reiterated its dedication to combating and adapting to climate change. In support of this objective, The Gambia is looking to engage in the Paris Agreement invitation of formulating and communicating "long-term, low greenhouse gas emission development strategies" (LTS) – visionary plans for achieving low-carbon, climate-resilient societies out to 2050. The development of their LTS supports the implementation of the LDC Group Vision at national level, aligning with the Group Vision goal of developing long-term climate-resilient development pathways.

The Gambia is using the process to conceptualise and construct a vision for where they want to be by 2050. The vision and accompanying strategy, will set out the country's long-term direction and goals and define the "how" for achieving the vision. The development of this vision will be an involved process, with plans for extensive stakeholder consultations in the form of policy roundtables. The Gambia plans to convene groups of government and society (including actors from civil society, academia and research, and the private sector, and ensure inclusive and full representation within each of these groups) to create a rich national dialogue and consortia on development models and the future trajectory of the country, and to build national buy-in for the LTS and its implementation. This process aligns with both The Gambia's domestic objectives and the LDC Group Vision's objective for taking a whole-of-society approach, as well as integrating adaptation, mitigation and resilience into national objectives, to build just and inclusive pathways for a climate resilient future.

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Annex 2: LIFE AR activities

Planning support to national governments to develop, strengthen and operationalise national long-term, low carbon, climate resilient development strategies to 2050 or to review existing policies to strengthen framing, priorities and targets in relation to climate change, addressing vulnerability and building resilience;

Support in defining initiatives that align with national adaptation and mitigation priorities - support consultations with government agencies, CSOs, donors, private sector, academia to agree innovative mechanisms to deliver long term and sustainable climate resilient initiatives;

Evidence generation and context analysis - climate risk assessments and scoping studies to inform the development or refinement of the national strategies and the design of country specific delivery and financing mechanisms;

Building institutional capabilities to manage climate finance at national and local levels and to deliver to the frontier – through the strategic collaboration of the national consortia with appropriate cross government representation and technical skills for designing bespoke and flexible mechanisms that build on and strengthen existing approaches for providing predictable and sustained finance through devolved climate finance to local governments and communities, aggregation of SMEs with private financial institutions and/or shock responsive and adaptive social protection and basic services;

Strengthening governance arrangements for appropriate subsidiarity in decision making including setting up devolved, inclusive governance arrangements with meaningful representation from women, youth and excluded groups; transparent and accountable systems and procedures (such as tracking and geotagging investment through the International Aid Transparency Initiative) and monitoring and learning systems to collate and reflect on results and evolve approaches;

Enabling policy for local climate finance policy e.g. setting baselines for local finance, setting risk appetite, using innovative finance instruments to enable co-financing, results measurement to promote local level results, setting rules for flexible local grant-based financing;

Accelerating ability to access funding by investing through the mechanisms designed, to test and evolve the governance, technical guidance and accountability of these approaches, to create proven track record. Enhance and accelerate national institutions' ability to access global climate funds - e.g. Green Climate Fund, Adaptation Fund or MDBs - and diversify sources of funding including domestic budget, in country donors, private investors and banks;

Accessing TA in-country through setting up consortia in country, supported as needed by global and regional expertise – including expertise in building fiduciary management systems, environmental and social safeguards, robust analysis of climate risks, facilitation and leadership skills;

Promoting learning and meaningful exchange between countries and within countries - Testing and evolving approaches e.g. social auditing, deliberative democracy, citizen assemblies to provide advice on trade-offs, good practice & advice and in building ambition. Rapid reflection and evolution of approaches to enhance the management of local climate finance activities, TA and learning support - streamlined, collective of technical support partners. This would also support engagement with regional initiatives such as the African Adaptation Initiative, regional climate prediction centres etc to enhance collaboration, technical support and integration of approaches and regional priorities;

Developing good practice - ensuring local priorities and experience shape and inform national policy, other LDCs and international responses by deriving common methodologies and approaches across LDCs e.g. aggregation mechanisms for SMEs, social protection, landscape and local resilience investment for flexible innovative financing, fiduciary management, reporting, and digital transparency. Insights and guidance around good practices would be actively shared with others – such as the SIDS – to support more effective adaptation beyond the LDCs.

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Annex 3: draft outline of potential governance arrangements for LIFE AR

The following is a first proposition, for the potential governance arrangements of LIFE AR. It is to be discussed amongst the LDC countries and with the donors. To ensure due process, we are proposing the development and agreement of this structure might take two years.

Partners' Forum

The LIFE AR Platform could be overseen by a high-level “**Partners' Forum**”. The Partners' Forum would bring together representatives of the LDCs and our development partners. The Partners' Forum would be responsible for monitoring that the LIFE AR Platform is providing effective support to the realisation of the Vision. The responsibilities of the Partners' Forum could include:

- (i) Oversight and monitoring of LIFE AR's activities;
- (ii) Determination of how long the LIFE AR Platform will remain in place;
- (iii) Approval on the recommendation of the Board of:
 - a. Strategy
 - b. Business Plan
 - c. Control Framework
 - d. Reporting arrangements

Board

The composition and role of the LIFE AR Board will be determined during the interim period.

The Board will be small enough to ensure effective decision-making. The LDC Group's initial thinking is that the Board will include the Chair of the LDC Group, the LDC Technical Lead, LDC country representation and development partner representation. If needed for the balance of skills, independent individuals would be appointed who have relevant skills and experience in working with the LDCs to ensure that it maintains the appropriate balance of skills to perform its role effectively.

The role of the board will include:

- Day to day control of the Platform's activities;
- Approval of front-runner countries funding on the advice of a Technical Advisory Panel;
- Approving and supporting the scale-out of the LIFE-AR Platform strategy;
- Tracking progress of the scale-out and its alignment with the LIFE-AR Vision;
- Ensuring accountability across the LIFE AR's Platform's activities;
- Entering into contractual obligations on behalf of the LDC Group, in order to undertake LIFE AR's collaborative working and funding activities.

The Board would form sub-committees and advisory panels as needed. The Technical Advisory Panel would be formed to advise the board on the front runner countries propositions on governance arrangements and meeting the LIFE AR principles. This Panel would build on the experience of the LDC Advisory Group in the development of the LIFE AR initiative with a mix of skills and experience, LDC regions representation and gender balance.

Secretariat

The secretariat will support the Board and manage the provision of support to the National Consortia. The size and composition of the secretariat will be determined during the implementation period. The secretariat staff will have skills to provide oversight of the support to the National Consortia and will draw upon other resources to complement the skills of the small core team.

Indicative resources required include financial management, compliance, governance, partnership management, and technical support in areas of climate change, resilience building, as well as gender equality and vulnerability, communications and monitoring, evaluation and learning ('MEL').

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National governance arrangements

Strategic leadership: A ‘high level’ forum, building on existing strategic leadership platforms, composed of decision-makers from key ministries, who can influence decisions across ministries and beyond, and access higher level political actors and domestic donors. They would also have access to high level national meetings where they can influence delivery mechanisms, budgets and domestic counterpart funding.

This strategic leadership forum would address strategic issues, to ensure that LIFE-AR is aligning with national adaptation and mitigation objectives, as well as delivery mechanisms, and taking a whole of Government approach. It would also assess whether the country is delivering on its commitments under the LDC Offer.

Technical leadership: A national technical forum potentially led by the ministry responsible for climate change in the front-runner country. The technical body will coordinate the management of climate finance across different ministries, convene decision-making on country mechanisms; support the delivery consortium to implement LIFE-AR; discuss and agree on modalities for scaling out in country; monitor funding and accountability processes; approve work programmes; provide coordinated technical support to the LIFE AR mechanisms; facilitate cross-learning, sign off on reports to donors and the LIFE AR Platform; and brief the National Forum on key strategic issues and progress of devolved climate action in the country.

Depending on the national decentralisation context, sub-national forums would be embedded within Regional or Local Government to support the design, set up and delivery of the country mechanisms to ensure support reaches local level. They would be responsible for operationalising the mechanism at the district level and ensuring alignment with district development plans and budgets and signing off regular reports to the National Technical Forum on progress.

National Delivery Consortium: The consortium will be composed of implementing agencies including government institutions (such as meteorological departments, government training institutes), trusted national and local technical partners and civil society organisations, private sector and research institutions, including LUCCC universities, drawn upon to support the delivery and implementation of the LDC Vision in country. The consortium’s local delivery partners would work with local governments and local technical experts (sub-national technical forum) with support from the wider consortium. The consortium will be set up with clear responsibilities for coordination, quality assurance, learning (including M&E) and communications and will report regularly to the National Technical Forum on progress.

The arrangements between the LIFE AR Platform and the National Delivery Consortia will be recorded in support agreements between the LIFE AR Platform and the National Delivery Consortia. These will include:

- The National Delivery Consortia’s commitment to the LDC Offer, and the Principles and practices;
- The support activities to be provided by the LIFE AR Platform including, for example, technical advice for financial innovation, skills and systems development to strengthen capacity, facilitating learning, developing climate finance policy and support in innovating and learning from innovation to develop good practice in managing climate finance for effective adaptation investments.

The National Consortia would appoint an agent of appropriate standing to strengthen their capacity for direct access to the global climate funds. The National Consortium will be responsible for benchmarking, identifying best practice and areas and means of performance improvement. The LIFE-

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AR Platform will monitor the funding provided by the LIFE AR Platform drawing upon independent verification as required. The LIFE AR Platform aims to build the National Consortia capacity to provide full transparency and systems for clear accountability down to LDC citizens as much as up to development partners.

This approach would ultimately transition to a coherent climate finance architecture for direct access to the global funds. The roles and mandates would be clarified between entities such as the Ministry of Finance, National Designated Authority and National Implementing Entities, and using existing structures such as intergovernmental fiscal transfers where appropriate. This will ensure domestic budget could also be committed once the delivery mechanisms are in place. The National Consortia's provision of technical advice, learning and training support would continue as long as required.

The LIFE AR Platform will support the National Consortia in identifying international, regional and national technical support. The technical support may be procured by the National Consortia directly or drawn in through the LIFE AR Platform to provide capacity building and technical assistance and to support effective learning within and between LDCs, develop good practice guidance and assist collaboration between LDCs.

LIFE AR would seek to support learning and derive good practice around the behaviours of technical partners as much as learning and practices of country consortia.

The first phase for each front runner will be critical for setting up of the governance structures, selecting and defining the roles of National Consortia partners, and setting the rules of decision-making and criteria for budgets. This would include putting in place institutional arrangements that will ensure inclusive and climate informed decision-making around the investments with appropriate subsidiarity.

The National Consortia will select agents with demonstrated fiduciary capability to conduct due diligence of downstream partners and provide independent oversight; and ensure full transparency on the rules, processes and outcomes in the use by the National Consortia of Climate Finance.

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Annex 4: Establishment of LIFE-AR Ltd during the interim period

The appropriate UK legal entity would be a UK 'Company Limited by Guarantee' ('CLG') established by IIED on behalf of the LDC Group during the initial 2 year interim period. The company would be called 'LIFE AR Ltd'.

CLGs are well tried and tested and commonly used for charitable and other not for profit activities. The CLG would adopt a constitution based up on a 'model' provided with UK company law¹⁰. The constitution describes the roles and responsibilities of the members of the company and the board of the company, and how decisions are made by both.

The legal and governance structure of the CLG are described below. If the interim legal entity is established in another country the core governance arrangements ie Board and arrangements for legal membership, as described below, would be substantially similar (subject to the local legal requirements).

Legal Structure

A CLG is a "not for profit" company. This means that company must apply the income and property of the company for the sole purpose of promoting the company's objects ie the implementation of the LIFE-AR Vision, and cannot be used for any other purpose¹¹. It also means that no distribution may be paid, or capital otherwise returned to the members of the company¹². On a winding up of the company any assets or property that remains available to be distributed must be transferred to another body with objects similar to those of the company ie the LIFE AR platform¹³.

A CLG has a Board which has day to day responsibility for the CLG's activities. The board directors have fiduciary responsibility for the CLG's activities. The board is permitted to arrange for the company to take out insurance ("Directors and Officers" or 'D&O') to cover claims against the directors arising in the performance of their duties¹⁴.

The activities of the Board are overseen by the "members" of the CLG who would appoint the directors and approve key decisions regarding the company's activities.

The members have nominal (eg £1) limited liability for the liabilities of the CLG. A CLG can be incorporated with a single member and no maximum number of members. The constitution of the CLG must specify the number of member(s) with which it is to be registered. Every CLG must have a minimum of 2 directors.

Governance

The governance arrangements and the practices to be adopted by LIFE AR Ltd and its partners will be established in accordance with international governance 'best practice'¹⁵.

The LDC Group considered two governance options for the interim vehicle. The first in which representatives of the LDC Group and the development partners participate directly as members of the interim vehicle. The second in which IIED participates as the sole member and enters into an arrangement with the LDC Group governing how IIED acts as the legal member. The LDC Group concluded that the second option best meets the needs of the LDC Group for the interim vehicle. This is because there are considerable challenges for governments in participating directly in a company, and the time required to negotiate these challenges would outweigh any benefits of direct participation. This arrangement is therefore based on the trusted relationship between the LDC Group and IIED. We have described below how the representatives of the LDC Group and the development partners will oversee the interim vehicle's activities through representation on the Board.

In the future governance arrangements, a **Partners' Forum** could be composed of representatives of the LDC Group members and development partners in a formal inclusive decision-making process. This would create a separation of duties between the Board's oversight of the financial mechanism and the Partners' Forum oversight of the LIFE AR delivery against the LDC 2050 vision. However, for

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the initial activities in getting the LIFE AR Platform up and running the LDC Group is seeking an agile and simple governance arrangement. The concept and functioning of a Partners Forum will be reviewed during the interim period. LIFE AR Ltd will be managed by a **Board**. The arrangements for the composition, roles and responsibilities and decision-making of the Board have been designed to ensure that the interests of LIFE AR's stakeholders are properly taken into account, whilst ensuring also that LIFE AR gets "traction" right from the outset.

The Board will be composed of up to 7 individuals, with relevant skills and experience, including the Chair of the LDC Group, the LDC Technical Lead (who would also chair the Technical Advisory Panel), 2 representatives of the LDC group (rotating regional representation, including of front-runners), 2 representatives of the development partners and representation from IIED as legal member of the CLG. If the Board considers that it needs to supplement and balance the skills of the Board, the Board will recruit independent individuals with relevant skills and experience of working with LDCs as additional board members, bringing the total number of Board members up to 9. This would be done through a transparent independent selection process.

The Board as whole will have relevant skills and experience at senior level in climate change, financial oversight and management including audit, knowledge of LDCs and regional knowledge, understanding of devolved financing, and political economy. The skills of the Board will be considered as whole and the skills sets required of the independent members will be considered in the light of the skills sets of the other members of the Board at the relevant time in order to ensure that the Board has all the requisite skills.

The balance of the Board's composition reflects the need to ensure LDC ownership, representation of stakeholder interests, independence and efficient decision-making.

The Chair of the Board will be the Chair of the LDC Group. The role description of the Chair of the Board, in addition to chairing the meetings of the Board include; guiding the composition of the Board and succession planning.

The Chair of the Board would also support a Partners Forum should one be formed by ensuring that the Partners' Forum is provided with information necessary both on a periodic eg annually, and on-going basis to demonstrate that the effectiveness of LIFE AR and to highlight any material issues that need to be brought to the attention of the Partners Forum.

The Board will be responsible for:

- (i) Day to day control of the company's activities;
- (ii) Approval of funding to front-runner countries on the advice of a Technical Advisory Panel;
- (iii) Oversight and monitoring of LIFE AR Platform's activities;
- (iv) Determination of how long the CLG will remain in place;
- (v) Development of the LIFE AR Platform's Strategy
- (vi) Oversight of Business Planning
- (vii) Development of the LIFE AR Platform's Control Framework
- (viii) Development of the LIFE AR Platform's Reporting arrangements

IIED would consult formally with the Board in respect of the performance of its obligations as the legal member of the company in respect of formal matters such as altering the constitution, changing the company name, appointing new members, restructuring the company, winding up the company, and appointing and removing directors identified by the Board.

The Board will establish sub-committees and advisory panels with clearly defined Terms of Reference to support the Board in its work. These will include an Audit and Risk Committee, and a Technical Advisory Panel. The Audit and Risk Committee will be responsible for the oversight of the LIFE AR control framework and audit and assurance function. The committee will draw on IIED's fiduciary

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management systems in its work. The Technical Advisory Panel would be set up by the Board and chaired by the LDC Technical Lead, building on the approach used in the development of LIFE AR, of LDC technical advisers with a balance of skills, experience, as well as of LDC regions and gender.

It is proposed that the company have a single **legal member** IIED. IIED is a UK charity.¹⁶ As a UK charity IIED is required to meet the fiduciary standards applicable to UK charities including the UK Charity Governance Code and is regulated by the UK Charity Commission. IIED will act on behalf of the Board in its role as the legal member of the company.

Control Framework

LIFE AR Ltd will operate under the fiduciary management systems of IIED during the interim period.

IIED will develop LIFE AR's control framework and systems for LIFE AR which is stand-alone so that it can be handed over as an 'out of the box' system as soon as the interim arrangements are brought to an end. The transition arrangements will be developed as part of the initial strategy.

These control framework and systems will cover all aspects of LIFE AR's activities including risk management, financial management, integrity and ethics, anti-bribery and anti-corruption, value for money, transparency, accountability, monitoring and evaluation (M&E), compliance, audit and assurance, performance, knowledge and continual learning.

Implementation

The work of setting up LIFE AR Ltd will be supervised by the LDC Group. LIFE AR will be able to plug into IIED's existing operating platform. This will considerably reduce the time required to operationalise LIFE AR Limited.

The budget for the implementation phase will be developed by the LDC Group and will be presented to the development partners for approval.

The budget for the LIFE AR Platform will be developed during the implementation phase.

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Annex 5: Independent Multi-Criteria Analysis of Climate Funds and Initiatives¹⁷

Fund/tools	LDC Focus	Institutional Legacy	Reshaping Power Dynamics	Subsidiarity of Decisions	Adapting to resilient development	How is LIFE AR different?
Funds						
GCF	2	2	3	2	2	Institutional strengthening will be core part of LIFE AR activities, rather than just one of many activities. Subsidiarity will be actively promoted
GCF Readiness Programme	2	3	2	2	2	LIFE AR will have a strong priority on local actors and provide longer term support.
CIFs (PPCR)	3	3	1	3	4	LIFE AR will have a stronger focus on reshaping power dynamics through the development of national consortia rather than using MDBs.
GEF (including small grants programme and Support for Programming)	2	2	1	2	1	LIFE AR will have much greater focus on adaptation and resilience than GEF and strengthening the national and local institutions
LDCF	4	2	1	2	4	LIFE AR will have a stronger focus on reshaping power dynamics by placing national consortia to coordinate funding – rather than (predominant) use of international agencies. More focus on local actors, too.
SCCF	1	2	1	2	4	Significantly less focus on institutional strengthening within LDCs than LIFE AR will have
Nordic Development Fund	3	1	1	1	2	LIFE AR will have a much stronger focus on institutional strengthening whereas NDF is

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						more focused on co-financing existing projects.
Adaptation Fund (including TA Grants)	2	2	4	2	4	LIFE-AR will focus more heavily on institution building with an explicit focus on promoting local climate finance (rather than as a by-product of individual projects)
GCCA+	3	3	1	2	3	LIFE AR will have a greater focus on facilitating local decision-making
Small Islands States Resilience Initiative	2	2	2	1	3	LIFE AR will have a stronger focus on all aspects of adaptation and focus on LDCs.
Global Facility for Disaster Reduction and Recovery	3	2	2	2	3	LIFE AR will have a stronger focus on supporting local decision-making.
SDG Fund	1	1	1	2	2	LIFE AR will have a much stronger focus on institutional strengthening
Capacity Building Initiative for Transparency (under GEF)	2	4	1	1	2	LIFE AR will have a more comprehensive approach to facilitating resilience, engaging local partners, whereas CBIT is focused on international reporting.
Climate Services for Resilient Development Partnership	3	2	2	2	4	Less comprehensive in geographic coverage than LIFE AR and with much less focus on working with partners at local level.
Climate Finance Readiness Program	1	4	2	1	2	Unlike LIFE AR, no focus on subsidiarity.
French Facility for Global Environment (FFEM)	2	2	1	2	1	Unlike LIFE AR, limited focus on adaptation and no strong focus on working with

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						institutions at the local level so as to promote ownership.
Global Risk Financing Facility	2	1	2	2	3	Focus on supporting risk finance means less attention on building institutions than LIFE AR.
Tools						
NDC Cluster Desk	1	1	2	1	2	Unlike LIFE AR, no associated funding mechanism. LIFE AR will have a stronger long-term focus on institution building than NDC Cluster Desk which focuses on overcoming short term problems, with no LDC focus.
C40 Cities Finance Facility	1	2	1	4	2	Unlike LIFE AR, no associated funding mechanism. Also, no explicit focus on LDCs and no strategic focus on reshaping power dynamics
CTCN Technical Assistance	1	2	2	2	2	No associated funding mechanism. No explicit focus on supporting LDCs
Climate adaptation knowledge exchange	1	1	1	2	4	No associated funding mechanism. No emphasis on institution building.
Global support program for national communications and biennial update reports	1	4	1	1	2	No associated funding mechanism. Focus only on supporting reporting requirements rather than building institutions and delivering finance at the local level.
NAP Global Network Country Support Hub	3	3	2	1	4	No associated funding mechanism. Also, NAP network has a declared focus of supporting national, rather than local, actors.
Remote expert assistance on LEDS	1	2	1	2	1	No associated funding mechanism. LIFE AR will have a much stronger focus

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						on building institutional capacity than a remote access facility can achieve.
Technology needs assessment projects	1	1	2	1	2	No associated funding mechanism. LIFE AR will have a much stronger focus on enduring institutional capacity building at the local level.
(I)NDC Helpdesk	1	1	1	1	2	No associated funding mechanism. LIFE AR will also have a more explicit focus on building institutions specifically within LDCs
UN:CC Learn	1	1	2	1	4	Unlike LIFE AR, no associated funding mechanism nor explicit focus on LDCs
NDC Partnership	1	3	2	2	2	Unlike LIFE AR, no associated funding mechanism, nor explicit focus on finance at the local level.

One further funding approach demands further attention: the Local Climate Adaptive Living (LoCaL) Facility of the UNCDF. This is a relatively modest facility – it is not listed in the NDC Partnership website while the website only lists activities in Benin and Ghana¹⁸ – which provides performance-based grants for climate resilience to local Government, with these grants being programmed through the national intergovernmental transfer system. As such, it appears to share many common features with LIFE AR: it is focused on adaptation in (some) LDCs; it has a focus on local governments providing a degree of subsidiarity; while the use of the intergovernmental transfer system can help build local institutional capacity. However, as well as the modest scale of the LoCaL Facility, there are also other important differences between this approach and the proposed LIFE-AR mechanism:

- The resilience options on which funding can be spent are set out in pre-agreed checklists, rather than being the product of a shared analysis with local actors of their vulnerability;
- Much of the expertise on which LoCaL Facility relies, such as the vulnerability assessments and M&E, draws on external rather than local expertise, potentially reducing the impact of the Facility in reshaping power dynamics and its efficacy in building an institutional legacy;
- Its focus is on local governments, with no explicit focus on ensuring community engagement.

As such, while there are some aspects of the LoCaL Facility that provide a useful benchmark, its ambition and focus differs in important ways from that of LIFE AR.

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End notes

¹ Drawing on the deliberation on experience and evidence by LDC advisers and experts under the LIFE-AR initiative, the work of the Devolved Climate Finance Alliance (Kenya, Tanzania, Mali and Senegal), the synthesis of good practice being brought together under the **Locally Led Adaptation Framework** of the GCA Action Track and from [Soanes, Shakya, Walnycki, Greene \(2019\) Money Where It Matters: Designing Funds for the Frontier](#).

² Brooks et al (2019). [Framing and tracking 21st century climate adaptation](#). IIED working paper.

³ LDC Group (2019). [Delivering our climate-resilient future: lessons from a global evidence review](#)

⁴ The nine criteria used in evidence review for LIFE-AR by the LDC Advisory Group were derived from Article 7, paragraph 5 of the Paris Agreement to guide the understanding of ‘what works’ in effectively supporting long-term adaptation and resilience. The four outcome-based criteria were: reduce climate vulnerability; promote long-term or far-sighted action (climate futures); promote far-reaching action (scale) and promote gender equality and social inclusion. Five process-based criteria were: integrate knowledge systems (technical, climate, local and indigenous), support vertical and horizontal integration (collaboration across scales and sectors), support the delivery of global frameworks, such as the SDGs, Paris, Sendai and Aichi; be participatory and transparent, and be domestically driven.

⁵ These criteria are not intended to reflect the only criteria of importance when delivering climate finance. Rather, they reflect the critical features of LIFE-AR.

⁶ MDY provided independent legal advice to the LDC leadership and their support partners (IIED, Climate Analytics, LUCCC, ICCCAD etc) to ensure there was no conflict of interest. MDY are deep technical experts in the governance arrangements of international bodies.

⁷ This excluded funding mechanisms that only provided funding to international organisations and/or non-profit or CSOs and/or the private sector and/or community level organisations and/or others. It also excluded funding to helping compliance with reporting requirements; or funding exclusively available for mitigation projects.

⁸ This excludes tools that involve the provision of guidance and frameworks, platforms, templates, or analytical tools; or support focused on understanding the basic of NDCs, collecting data, evaluating potential development impacts and benefits, or evaluating, monitoring and reporting on impacts. It also excludes tools only operating at the project-level.

⁹ **Andrews, M., Pritchett, L. and Woolcock, M. (2012)** ‘Escaping Capability Traps through Problem Driven Iterative Adaptation’. Working Paper 2012/64. Helsinki: UNUWIDER. **Kaplan, A. (1999)** *The Development of Capacity*. New York: Community Development Resources Association, UN Non-Governmental Liaison Service. **Richter, I. (2010)** ‘Organisational Development as a Source’, in J. Ubels, N.A. Acquaye-Baddoo and A. Fowler (eds) *Capacity Development as Practice*. London: Earthscan. **Meadowcroft, J. (2009)** ‘Climate Change Governance’. Background Paper to the 2010 World Development Report.

¹⁰ Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229)

¹¹ Model Article, Clause 4

¹² Model Article, Clause 4

¹³ Model Article, Clause 5

¹⁴ Model Article, 28

¹⁵ This includes the UK Charity Governance Code, the G20/OECD Principles of Corporate Governance, 2015; the UK Corporate Governance Code and related codes and the Risk Coalition’s ‘Effective Risk Governance in a changing World’ Consultation Document.

¹⁶ The International Institute of Environment and Development (IIED) is a company limited by guarantee and incorporated in England (Reg. No 2188452. VAT Reg. No. GB 440 4948 50) and an independent charity registered in England (Charity No. 800066) and in Scotland (OSCR No. 039864). IIED is recognised as an international organisation by the OECD Development Assistance Committee.

¹⁷ See full spreadsheet for scoring criteria, full analysis and references.

¹⁸ It is also known to be working in Tanzania.