

QUESTIONS

KEY CONCLUSIONS AND FINDINGS

RECOMMENDATIONS

Q1

What are the expected results of SAP projects?

- F1**
Conclusion 1. The implementation of SAP has been partially satisfactory.
- F1-1**
 The SAP portfolio of 13 projects (in 12 countries) corresponds to USD 115 million, which represents 16% of the total projects approved.
- F1-2**
 LDCs and African States are well represented; SIDS are underrepresented (only two projects); 11 projects are adaptation and public sector grants; three projects use a private sector entity or scheme.
- F1-3**
 Almost no value added for the private sector.
- F1-4**
 SAP has not contributed to bringing in 'new' entities to the GCF.
- F1-5**
 The Secretariat's dedicated SAP team is effective and proactive.
- F1-6**
 SAP project proponents have appreciated the guidelines, online tutorials and the direct hands-on support provided by the SAP team.
- F1-7**
 The Secretariat's review of the SAP focused on the SAP processes and did not examine the value-added or the strategic fit of the SAP for the GCF.

R1

- The **Secretariat** should develop a strategy for SAP.
- **The strategy should include pathways that show how SAP brings value to the GCF**, such as:
 - financing innovative approaches and creative implementation modalities;
 - supporting proposals that respond to *urgent* climate change issues;
 - supporting proposals from countries that are engaging with the GCF for the first time.

Q2

Has there been acceleration and simplification with SAP?

- F2**
Conclusion 2. SAP has not translated into simplified requirements nor accelerated the project cycle process.
- F2-1**
 The median time to process a project through SAP is only 8% shorter than for comparable projects through the regular PAP*, and 13% shorter compared to higher ESS category projects.
- F2-2**
 SAP review processes include multiple stages and duplications and are neither predictable nor transparent. Only two stages have business targets.
- F2-3**
 Secretariat and iTAP* reviewers have not changed their review practices and frequently have to deal with missing information.
- F2-4**
 Intra-Secretariat incentives to review and process projects through SAP are lacking.

R2

- The **Secretariat** should focus on accelerating and simplifying SAP.
- **Accelerate:** Develop accelerated processes for post-approval phases of SAP projects; enforce transparent and predictable business standards for every step of SAP process; and provide one set of consolidated comments for each Concept Note (CN) and Funding Proposal (FP).
 - **Simplify:** Enhance the clarity of guidance on review criteria; better define key GCF concepts, such as 'scale-up' and 'climate rationale'; and further simplify documentation requirements.

PAP*: Project Approval Process | iTAP*: independent Technical Advisory Panel

¹ Gonzales, Margarita, Daisuke Horikoshi, Elangtlhoko Mokgano, Jyotsna Puri, and Claudio Volonte. (2020). Independent Assessment of the GCF's Simplified Approval Process (SAP) Pilot Scheme. Evaluation Report No. 7, June 2020. Independent Evaluation Unit, Green Climate Fund. Songdo, South Korea.

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Q3

Have approved SAP projects fully met the SAP eligibility criteria?

F3
Conclusion 3. Approved SAP projects partially meet the remit of SAP.

F3-1
 SAP projects comply with two of the three eligibility criteria: all of them involve GCF contributions of less than USD 10 million and are classified under the ESS C category (“minimal to none” environmental and social risks).

F3-2
 The definition of the third criterion, “ready for scaling up”, has not been applied consistently. Many SAP projects do not comply with it.

F3-3
 Neither the Secretariat’s nor the iTAP’s assessments specifically discussed the “ready for scale up” criterion.

F3-4
 Climate rationale is a concept still difficult to articulate for many AEs.

F3-5
 Most projects in the SAP portfolio support further testing and the demonstration of ideas or approaches but are not scaling up initiatives themselves.

R3

The **Board** could consider simplifying the SAP review criteria and developing tailored investment criteria.

- Other investment criteria could be considered as minimum (entry) requirements for GCF proposals.
- Key criteria that may be considered are: ready for scale-up; implementation feasibility; innovation and climate rationale.

Q4

Are there comparable fast track mechanisms in climate, environment, and development finance?

F4a
Conclusion 4a. Four elements of the Board decisions have not been implemented yet. Two are crucial: project approval in the absence of Board meetings, and iTAP reviews on a rolling basis.

F4b
Conclusion 4b. There is no international or industry standard for fast-track/speedy projects/operations.

F4-1
 Institutions have devised their own fast-track processes incrementally, taking on board their stage of evolution and context.

F4-2
 The GCF Board has already supported expedited procedures for several types of processes and projects within the GCF.

R4

The **Secretariat** should implement the following elements of the Board decisions that have not been implemented yet: simplified financial terms; robust monitoring systems in SAP proposals; project approval in the absence of Board meetings; iTAP reviews on a rolling basis.

The **Board** may consider delegating authority to the Executive Director for a faster approval of SAP-type projects.

Q5

Has SAP demonstrated its value-added?

F5a
Conclusion 5a. The value added of the SAP has been limited in terms of providing resources for meeting urgent climate adaptation needs of GCF countries; enhancing DAEs’ access to the GCF; and supporting projects that scale up ideas and approaches that contribute to transformational change.

F5b
Conclusion 5b. All projects in the SAP portfolio are clearly linked to national needs and priorities (sustainable development, poverty and climate change).

F5-1
 While some entities may have improved their understanding of the GCF and its processes, the capacity-building mechanisms currently in place are not adequate for the needs of AEs applying through the SAP.

F5-2
 Most SAP entities (even those that had processed GCF projects before) did not know how to deal with the GCF processes, requirements and concepts.

R5

The **Secretariat** should work towards increasing the value-added of SAP.

- **Include a capacity-development programme** to support DAEs in understanding the simplified and accelerated procedures.
- **Take a tailored approach to the private sector.** Include, within a SAP strategy, a separate sub-strategy for the private sector.
- **Develop institution-level KPIs** to incentivize SAP proposals for Secretariat staff.