Evaluation Brief

GREEN CLIMATE FUND | Independent Evaluation Unit

Independent Evaluation of the GCF's Simplified Approval Process (SAP)

OCTOBER 2025

Background

The Independent Evaluation of the GCF's Simplified Approval Process (SAP)[1] was approved as part of the 2025 workplan of the IEU. This evaluation used a utilization-focused framework with the objective of fostering learning and dialogue among stakeholders to strengthen future designs for simplified access to finance and enhance the GCF's operational effectiveness.

Objectives & scope

The SAP was conceived as a transformative mechanism to address a fundamental challenge in climate finance. It aimed to provide faster, more accessible funding pathways for smaller-scale, lower-risk climate interventions, particularly for the least developed countries, small island developing states and African States.

Methods

The evaluation applied a mixed-methods design aligned with the relevance, effectiveness, efficiency, coherence, and impact criteria. It triangulated quantitative portfolio analysis with benchmarking, key-informant interviews, an accredited entity (AE) survey, and comparative case studies. Portfolio analysis covered all 49 SAP approvals through to B.41 (totaling USD 659 million) and size-matched PAP comparators. Benchmarking examined simplified mechanisms across GEF, AF, CIFs, the Global Fund, and Gavi. More than 70 interviews and a survey of accredited entities (30 responses) complemented document review. 13 case studies (seven SAP, six PAP) explored design, risk, timelines, and results.

1 Independent evaluation of the GCF's simplified approval process (https://ieu.greenclimate.fund/evaluation/sap2025)

PAP: Project Approval Process

Conclusions

C1 Conceptual tensions in simplified access

Notwithstanding immense efforts put in place by the Secretariat, the SAP modality seems to be virtually indistinguishable from the regular project approval process (PAP). The distinction between "simplified access" and "simple access" explains why the modality has struggled to fulfil its foundational promise. The SAP has pursued simplified access, making incremental improvements to existing procedures. This approach remains anchored to established governance structures and review standards while attempting to achieve process optimization. The requirement for full Board approval, the application of identical investment criteria, and the maintenance of comprehensive review standards each reflect entrenched institutional imperatives that override simplification objectives when they conflict with fiduciary responsibilities.

C2 Operational limitations

The convergence between the SAP and regular approval processes has eliminated the efficiency rationale for maintaining separate procedures. With the Secretariat committed to reducing PAP timelines to nine months through the Executive Director's "Efficient GCF" initiative under the 50by30 vision, the SAP's current 12-month median offers no comparative advantage. See the **figure on page 3** of this brief for the comparison of SAP and PAP approval times by project sector. The transaction cost analysis reveals that, contrary to its goal, the SAP imposes higher burdens on applicants - incurring preparation costs up to USD 750,000, imposing multiple review cycles on applicants, and being three to ten times more expensive than comparable funds. A proper discussion on delegated authority seems to be timely and relevant to the actual financial projections of the fund. Low disbursement and expenditure rates reveal a fundamental weakness in the mechanism's core function. At the same time, low expenditure rates highlight the need to examine the AEs' absorption capacity more closely.

C3 Comparative approach

Delegated authority emerges as a critical differentiator. Institutions like the GEF, AF, and Gavi demonstrate that delegated decision-making enables approvals within months, or even weeks, when governance aligns with operational needs. Integrated support is another success factor distinguishing effective mechanisms from the SAP's more fragmented approach. Adapting review standards to actual risk profiles can reduce transaction costs while maintaining quality assurance. By focusing on clearly defined groups (e.g. Indigenous People), mechanisms can balance accessibility with accountability more effectively.

C4 Context specificity and replication

The SAP's comparative advantage may lie less in technological or policy innovation than in scaling proven interventions in new contexts. Replication with local adaptation interventions offers a legitimate form of innovation that prioritizes access and inclusion over novelty. Case studies show that projects achieve meaningful impact by systematically replicating tested models across different territorial contexts, tailoring them to community needs, AEs' absorption capacity, governance structures, and environmental conditions.

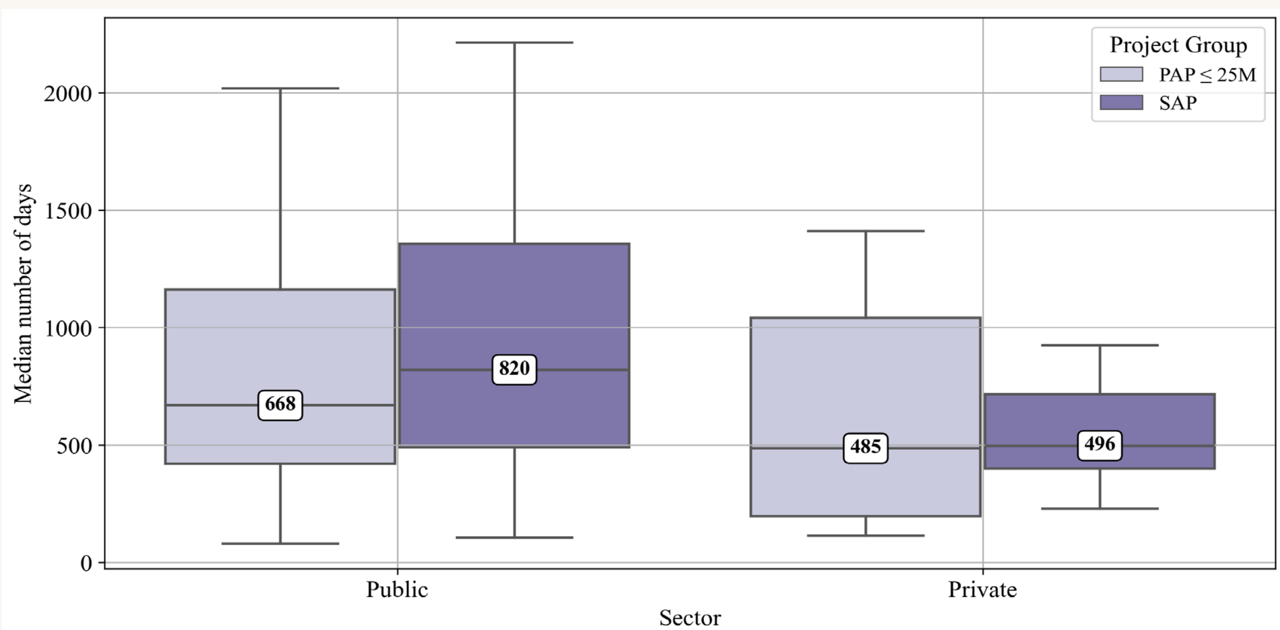
C5 Risk limits and private-sector engagement

The continued restriction of SAP eligibility to Risk Category C projects fundamentally limits the modality's strategic relevance. By excluding small-scale infrastructure and resilient agriculture systems, the restriction narrows the SAP portfolio to a subset of lower-risk interventions.

C6 Institutional value beyond original intent

The evaluation identifies significant unintended impacts in the SAP evolution towards institutional capacity development. Entities report that SAP experience builds confidence, develops procedural familiarity and fosters relationships that ease access to larger climate finance opportunities. Statistical analysis demonstrates that SAP projects are associated with a 16.3 per cent increase in investments targeting the livelihoods of people and communities. The analysis further shows that sustainable climate action in vulnerable contexts depends on moving beyond externally driven models. Projects co-created with communities and grounded in traditional environmental knowledge systems achieve greater sustainability than those relying solely on modern interventions. A strong focus on vulnerable people and communities requires both their buy-in and their active participation in project design.

***Figure:* Project development timeframe from CN submission to FP approval by sector**



Source: Independent Evaluation Unit (IEU)

Notes: For the private sector, the analysis includes nine projects under PAP ≤ 25 million, and six projects under SAP. For the public sector, it covers 43 projects under PAP ≤ 25 million, and 43 projects under SAP. The boxplot compares the median number of days from CN submission to FP approval across public and private sectors for two project groups. In the public sector, SAP projects take longer to process (median = 820 days) than PAP ≤ 25 million projects (median = 668 days) and exhibit greater variability.

Recommendations

Recommendations **1** and **2** are for the GCF Board. Recommendations **2** through **5** are for the GCF Secretariat.

R1

The GCF Board should consider discontinuing the SAP modality in its current form, as operational ineffectiveness remains and the delivery of climate finance has been limited. The Secretariat could begin phasing out the SAP, with a view to its complete closure in its current form as soon as operationally feasible. As an access modality, the SAP has not met expectations to simplify or expedite climate finance delivery. Instead, it has become operationally ineffective and virtually indistinguishable from the regular PAP.

R2

The GCF Board and Secretariat should expedite the design and launch of an alternative, integrated access modality tailored to vulnerable countries, people, and communities. This new modality replacing the SAP, should build on lessons learned, and be designed around flexible, risk-appropriate processes and delegated authority to the Secretariat. A fit-for-purpose "simple access" window managed by the Secretariat would provide broader eligibility and streamlined governance. The concept of vulnerability, whether for countries or communities, should remain the central criterion, as originally intended, to proceed under more flexible rules. The Board should take into account the needs of countries that are particularly vulnerable to climate change effects, including LDCs, SIDS, African States. This change acknowledges that a fundamentally new approach is required. The new modality could also adjust environmental and social risk thresholds. Restricting the SAP to minimal-risk Category C projects has narrowed its scope and accessibility. Many small-scale adaptation projects, such as climate-resilient agriculture with minor infrastructure or community-level coastal protection that often carry moderate risks, are excluded from the modality. The Secretariat could consider introducing policy and governance reforms to streamline approval processes for the new modality.

R3

The Secretariat should center the alternative, integrated access modality on local approaches across the project cycle. The new modality should ensure strong country context linkages through co-development processes. The Secretariat should consider encouraging funding proposals that adopt area-based and landscape approaches, addressing climate challenges at the community or ecosystem levels. By focusing on local context linkage and co-development with stakeholders on the ground, GCF can ensure projects are appropriate for the socio-cultural and environmental reality, thereby improving absorption capacity and effectiveness.

R4

The Secretariat should ensure the new modality does not require a project to pilot new project ideas and innovations. Instead, it should encourage the replication and scaling up of proven project interventions in vulnerable contexts. To achieve this, the Secretariat should:

4.1 *Define appropriate innovation requirements for different types of projects and modalities.* The Secretariat should establish a tailored approach to innovation and provide clear guidance distinguishing between innovation expectations for different project categories and modalities. In particular, smaller projects should be able to demonstrate innovation through adaptation of proven approaches to new contexts.

4.2 *Develop a system to track and replicate successful project models.* The Secretariat should ensure that the new modality identifies successful project models and replicates them. The Fund may wish to establish a mechanism to catalogue proven approaches from the GCF and other funds, and encourage their adoption.

R5

The Secretariat should promote greater institutional integration to ensure that simplified access functions as part of an integrated pathway rather than a parallel silo. The SAP experience underscores the fragmentation of procedures and limited coordination with other GCF modalities. The Secretariat should consider establishing a cross-institutional task force to better align the Fund's support windows, ensuring that readiness support, project preparation facility, and approval processes are fully integrated under the new modality.

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