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Simplified Approval Process

Executive Summary of the Independent Evaluation of the GCF's Simplified Approval Process

September 2025

GREEN CLIMATE FUND
INDEPENDENT EVALUATION UNIT

Independent Evaluation of the Green Climate Fund's Simplified Approval Process

EXECUTIVE SUMMARY

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ABBREVIATIONS

AE	Accredited entity
AF	Adaptation Fund
B.41	The forty-first meeting of the Board
CIF	Climate Investment Funds
DAE	Direct access entity
GCF	Green Climate Fund
GEF	Global Environment Facility
IEU	Independent Evaluation Unit
LDC	Least developed country
PAP	Project approval process
RFP	Request for proposal
SAP	Simplified approval process
SIDS	Small island developing State

EXECUTIVE SUMMARY

INTRODUCTION

The Green Climate Fund's Simplified Approval Process (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, and take into account the needs of countries that are particularly vulnerable to climate change effects, including the least developed countries (LDCs), small island developing States (SIDS) and African States.

The Independent Evaluation Unit (IEU) first evaluated the modality in 2020 and concluded that while initial achievements were observable, ultimately the SAP had not simplified requirements or accelerated processes. The SAP's value added was limited in achieving its three expected outcomes: meeting urgent climate adaptation needs, enhancing direct access, and supporting scaling up.

A 2021 management action report on the evaluation found that the Secretariat had reinforced the integration of capacity strengthening elements, accelerated post-SAP-approval procedures, and introduced simplified documentation through an SAP appraisal toolkit. However, this evaluation report (2025) also found that the Secretariat had not further developed a much-needed fit-for-purpose review process with tailored investment criteria and a strategy to integrate the modality. Eight years after its launch through decision B.18/06, this evaluation re-examines whether the SAP has delivered on its founding promise and what lessons emerge in the context of institutional change and the broader climate finance architecture.

The evaluation's timing is particularly significant given the urgency in climate finance context highlighted in recent international assessments. Greenhouse gas concentrations reached record levels in 2023 and continue to rise. At the same time, the adaptation finance gap has widened to an estimated USD 187–387 billion annually in developing countries, while several major donors have signalled substantial aid reductions[1]. The need for efficient and accessible climate finance mechanisms has never been more urgent.

The evaluation applied a mixed-methods design aligned with the GCF evaluation criteria, in particular relevance, effectiveness, efficiency, coherence, and impact. It triangulated quantitative portfolio analysis with benchmarking, key informant interviews, an accredited entity (AE) survey and a set of comparative case studies. The portfolio analysis covered all 49 SAP approvals through the forty-first meeting of the Board (B.41) (totalling USD 659 million) and size-matched project comparators of the standard project approval process (PAP). The benchmarking examined simplified mechanisms across the Global Environment Facility (GEF), Adaptation Fund (AF), Climate Investment Funds (CIF), the Global Fund, and Gavi. More than 70 interviews and a survey of accredited entities (30 responses) complemented the document review. Furthermore, 13 case studies (7 SAP, 6 PAP) explored design, risk, timelines, and results at project level.

Evidence coverage faced three constraints. First, many SAP projects had limited time in implementation within the evaluation framework. Case studies were purposefully selected among the SAP projects with at least three annual performance reports in order to assess project results. Second, the policy framework evolved during the period complicating like-for-like comparisons across time. The evaluation team mitigated this by basing comparisons on the policy rules that applied at each decision point (e.g., pre- versus post-B.32). Third, GCF institutional turnover also reduced access to a historical perspective as several Secretariat staff with direct experience had

[1] United Nations Environment Programme, *Adaptation Gap Report 2024: Come hell or high water*.

moved on. The evaluation team nevertheless identified and interviewed both current and former GCF staff and supplemented their accounts with documents and portfolio data.

Conclusions

Conceptual tensions in simplified access

The evaluation reveals a critical distinction that has shaped the SAP's trajectory. The distinction between "simplified access" and "simple access" explains why the modality has struggled to fulfil its foundational promise, despite successive reforms. The SAP has, in practice, pursued simplified access, making incremental improvements to existing procedures through streamlined templates, reduced documentation requirements, and procedural adjustments while maintaining the same underlying approval architecture. This approach remains anchored to established governance structures and review standards while attempting to reduce transaction costs through process optimization.

By contrast, simple access, as implied by the Governing Instrument and early constituency advocacy, goes beyond process optimization to remove structural barriers. It requires fundamental changes to governance structures, risk management frameworks, and incentives to create clear pathways for vulnerable countries and communities.

This distinction helps explain why the **SAP and the PAP have become almost indistinguishable, despite the intention to simplify**. Operating within the same governance framework designed for larger, more complex interventions creates contradictions that procedural reforms alone cannot resolve. The requirement for full Board approvals, 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.

This tension is evident in the one-size-fits-all implementation that characterizes current SAP operations. Although the modality aspires to tailor approaches to diverse entity capacities and country contexts, in practice, it applies largely uniform requirements that prioritize consistency over responsiveness. The SAP’s restriction to Category C activities illustrates this trade-off: it simplifies review procedures but excludes many adaptation interventions that involve moderate risk.

Operational inefficiencies and limitations

Multiple lines of evidence indicate that the SAP has become operationally inefficient. This conclusion is based on consistent empirical evidence showing that the SAP no longer delivers added value in speed or access.

The convergence between the SAP and regular approval processes has eliminated the efficiency rationale for maintaining separate procedures. Despite being categorized as lower-risk and having a smaller scale, the SAP is treated almost identically to PAP projects, with equal or longer processing times. 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. Instead, it adds the burden of maintaining parallel approval pathways.

Resource delivery evidence compounds these concerns and has broader strategic implications for climate action. Low disbursement and expenditure rates reveal a fundamental breakdown in the mechanism’s core function. These figures indicate that most of the Board-approved climate finance remains stalled in institutional processes rather than reaching implementation, where it can generate a measurable impact. At the same time, low disbursement and expenditure rates highlight the need to examine AE implementation capacity more closely.

Transaction cost analysis further shows that many entities find that the SAP makes applying for funding harder than easier. Preparation costs of up to USD 750,000 and multiple review cycles undermine the supposed simplification. Reported costs exceed those of comparable funds by a factor of 3 to 10, while the volume of the comments in successive review cycles, sometimes including contradictory feedback, reflects unpredictable requirements and the continued need for specialized expertise.

The efficiency paradox extends beyond processing times to broader resource allocation. Running parallel SAP and PAP procedures consumes scarce GCF capacity without producing commensurate benefits. Maintaining two sets of staff, systems, and oversight mechanisms imposes opportunity costs that are especially significant given the urgent need for effective climate finance delivery and the GCF's limited resources.

Comparative approaches with different structural features

Benchmarking against successful simplified access mechanisms in other institutions helps illustrate both the specific challenges facing the SAP and the broader principles that enable effective, streamlined climate finance delivery. Comparative analysis shows that successful mechanisms share structural features largely absent from the SAP, strongly suggesting the need for fundamental, not incremental reform.

Delegated authority emerges as a critical differentiator between successful simplified mechanisms and the SAP's current approach. 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. For example, the GEF's medium-sized projects achieve approvals through CEO delegation within six to nine months, while the AF's enhanced direct access allows national institutions to approve subprojects within approved frameworks. Gavi's emergency policy permits CEO approval within weeks for urgent health interventions, showing that rapid response is feasible under supportive governance structures.

Integrated support is another success factor distinguishing effective mechanisms from the SAP's more fragmented approach. Preparation grants embedded within project cycles make support predictable, accessible, and faster to deploy. The AF allows project formulation grant (PFGs) at the concept stage, while the GEF offers integrated project preparation grants that can be requested simply by ticking a box on the project identification form (in the GEF PIF). These approaches avoid the separate application requirements that add months to SAP timelines, while providing more reliable preparation support.

Risk-appropriate procedures also trigger successful simplified mechanisms. Adapting review standards to actual risk profiles reduces transaction costs while maintaining quality assurance. The CIF's dedicated grant mechanism uses community-led governance for small grants, while the Global Fund's Challenging Operating Environment Policy adapts procedures for fragile contexts. These approaches show that simplified procedures can still uphold accountability when institutional incentives support proportionality.

Clear targeting enables successful mechanisms to optimize procedures for specific constituencies rather than attempting to serve all developing countries with uniform processes. By focusing on clearly defined groups, mechanisms can balance accessibility with accountability more effectively.

For example, the GEF's Least Developed Countries Fund serves only the LDCs, while the CIF's dedicated grant mechanism is tailored to Indigenous Peoples and local communities. This specificity allows procedural customization that broadly applicable mechanisms cannot achieve.

Institutional culture and incentive alignment play a decisive role in mechanism effectiveness. Where institutions prioritize speed and accessibility, simplification objectives are reinforced rather than undermined. Successful simplified approaches operate within organizations where these priorities are embedded. In contrast, at the GCF, comprehensive review and risk mitigation often take precedence over reducing transaction costs when the two objectives conflict.

THE INNOVATION-REPLICATION NEXUS

The evaluation reveals a fundamental contradiction between the SAP's innovation aspirations and its operational reality. Decision B.32/05 sets the expectation that SAP proposals should demonstrate "potential for transformation and promote a paradigm shift." Yet, evidence shows that the projects with the strongest impact have concentrated on replicating and adapting proven models, rather than proving novel designs.

For example, the R4 Rural Resilience Initiative, replicated across multiple African contexts, and the climate risk and early warning systems framework, now being scaled through SAP048 in Togo. Both of these SAP activities demonstrate stronger institutional uptake and clearer pathways to systemic impact than experimental interventions based on untested concepts.

This pattern reflects an inherent tension between expectations and structural constraints. Category C restrictions, smaller funding envelopes, and risk-averse review processes favour tested approaches over experimentation. The absence of a GCF-wide definition of innovation has created systemic confusion, inside and outside the organization, about what constitutes transformational impact, contributing to the credibility gap identified in stakeholder interviews.

The IEU's 2020 SIDS evaluation provides a more nuanced framework for assessing innovation. It distinguishes innovation across four dimensions: type, scale, context, and intensity. This approach indicates that most GCF projects represent contextual adaptations rather than global breakthroughs. In SIDS, only a few reported innovations were "new at the regional or global level."

This shows that GCF innovations are often valuable without being disruptive, and that assessing them against inappropriate benchmarks has created unrealistic paradigm shift expectations.

The SAP's comparative advantage may lie in scaling proven interventions in new contexts. It should encourage the replication and scale up of innovation and fit-for-purpose technology solutions to enhance climate resilience in vulnerable contexts. Replication with local adaptation 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, AE absorption capacity, governance structures, and environmental conditions.

This approach aligns with the SAP's foundational targeting of vulnerable countries and direct access entities (DAEs). Here, innovation lies in demonstrating that less-resourced entities can successfully implement effective climate interventions in challenging contexts. Reframing the SAP's role around contextual scaling rather than breakthrough innovation could resolve the current credibility gap and provide a more realistic, achievable mandate for simplified access mechanisms.

GOVERNANCE AND LIMITED DELEGATION

The governance structure surrounding approval authority represents an unresolved tension within the GCF's institutional framework. While comparator organizations and peer multilateral funds rely on delegated approval mechanisms, the GCF requires universal Board approval for all SAP proposals regardless of scale or risk. Stakeholder perspectives remain polarized: some AEs argue that expanded delegated authority would reduce bottlenecks and transaction costs, while others stress the importance of maintaining Board oversight and comprehensive due diligence.

The evaluation cannot definitively determine whether delegated authority would enhance or compromise outcomes. However, the persistence of these divergent perspectives underscores the need for deliberate and transparent policy dialogue on the conditions and safeguards under which delegated authority could genuinely support simplified access objectives. The SAP portfolio shows notably limited private sector participation. Structural misalignment between private sector requirements and the SAP design discourages engagement. Private projects are constrained by Category C restrictions, strict investment criteria, and modest financial ceiling that do not justify the costly structuring typically needed to attract private investors. As a result, private sector expenditure performance has lagged behind that of public sector projects.

While developing a comprehensive private sector strategy exceeds this evaluation's mandate, the evidence highlights the participation gap and the need to consider whether simplified approval modalities are appropriate vehicles for private climate investments. Findings suggest that private sector engagement may be better pursued through alternative GCF instruments tailored for risk-sharing and investment structuring.

The continued restriction of SAP eligibility to Category C projects fundamentally limits the modality's strategic relevance. By excluding small-scale infrastructure and resilient agriculture systems, the restriction narrows the portfolio to a subset of lower-risk interventions. Many of these excluded activities are standard in comparator funds. This limitation curtails the SAP's catalytic potential for transformational climate action. Addressing this constraint warrants consideration by the Board of replacing the exclusionary rule with proportional risk management frameworks, enabling the SAP, or any successor modality, to better support strategic objectives while upholding safeguards.

These outstanding issues are consistent with broader institutional design questions identified by earlier IEU evaluations. The persistent need for simplified access windows, especially for DAEs and projects in SIDS, LDCs, and African countries, reinforces the utility of targeted instruments. The 2021 IEU evaluation of the request for proposals (RFPs) modality emphasized the value of such instruments for filling portfolio gaps and stimulating proposals in priority thematic areas. Thematically focused RFPs, regionally tailored access mechanisms, or sector-specific simplified pathways are cited as plausible ways to address the access gaps and meet the needs of the constituencies the SAP was originally designed to serve.

INSTITUTIONAL VALUE BEYOND ORIGINAL INTENT

While the SAP has failed as a simplification mechanism, the evaluation identifies significant unintended impacts in its evolution towards institutional capacity development. This unplanned result has generated tangible benefits for DAEs, strengthening climate finance capabilities beyond individual project outcomes. The "stepping-stone effect" described by stakeholders represents genuine institutional value. Entities report that SAP experience builds confidence, develops procedural familiarity and fosters relationships that ease access to larger climate finance opportunities.

This progression from smaller to larger initiatives has created a pipeline of capable implementers that strengthens the climate finance ecosystem. The psychological dimension of capacity strengthening, confidence gained through successful implementation, is particularly important for entities with limited international experience. This learning-by-doing effect reduces the risk of implementation failures that could damage both institutional reputation and climate outcomes, and it cannot be replicated through training programmes or technical assistance alone.

The evolution of the SAP towards capacity strengthening also raises questions about institutional design. If institutional development is the SAP's primary value, alternative mechanisms may deliver it more efficiently, while dedicated readiness or technical assistance programmes could address these needs at lower cost. Conversely, if simplification remains the priority, then project financing may not be the most appropriate channel for strengthening institutional capacity.

Statistical analysis demonstrates that SAP projects are associated with a 16.3 per cent increase in investments targeting the livelihoods of people and communities, significant at the 1 per cent level. This evidence suggests that the SAP effectively directs resources to vulnerable populations, in line with its foundational logic. Vulnerable country groupings, LDCs, SIDS, and African States, collectively receive more than half of SAP financing, exceeding initial expectations.

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.

Recommendations

The SAP modality has become operationally ineffective in its current form, failing to deliver on its core promises of simplification, acceleration, and enhanced access. The mission drift from a vulnerable community focus towards serving as a capacity strengthening mechanism for entities represents a fundamental departure from the SAP's foundational objectives. While this evolution has generated value for participating institutions, it contradicts the original mandate to provide a simplified process and simple access for those most in need of streamlined procedures.

The SAP's core function of delivering climate finance remains unfulfilled. With low disbursement and expenditure, the modality has not succeeded in getting approved resources to flow to climate interventions on the ground. While capacity constraints among DAEs contribute to these outcomes, the persistence of governance bottlenecks and lack of SAP-specific support structures mean the mechanism has not been equipped to overcome such challenges.

Because incremental changes have failed to fix ongoing problems, these recommendations call for major institutional changes to create truly simple access pathways that better serve vulnerable countries, peoples and communities. These institutional changes will ensure the GCF better fulfils its mandate of promoting paradigm shifts towards low-emission and climate-resilient development pathways. The urgency of the climate challenge, combined with tightening global climate finance availability, demands that multilateral institutions like the GCF maximize their effectiveness in serving those most in need.

The evaluation team provides recommendations to both the GCF Board and the GCF Secretariat, as follows:

Recommendation to the Board

Recommendation 1: 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.

Recommendation 2: 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 should replace SAP, 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 and 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 new modality could therefore allow medium-risk Category B projects with streamlined safeguards, while continuing to exclude higher-risk interventions.

The Secretariat could consider introducing policy and governance reforms to streamline approval processes for the new modality. These should include delegating approval authority for small projects to the Executive Director and instituting review workflows on a rolling basis.

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Recommendation 3: **The Secretariat should centre 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 to the sociocultural and environmental reality, thereby improving absorption capacity and effectiveness.

Recommendation 4: **The Secretariat should ensure the new modality does not pilot new and untested project ideas. Instead, it should encourage the replication and scaling up of innovation and fit-for-purpose technology solutions 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, projects of the new modality should be able to foster technology transfer, scaling-up initiatives, and evidence-based approaches that engage with local stakeholders (e.g. Indigenous Peoples, youth, female-led and community-based entities).

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.

Implementing these recommendations would enable the Fund to address a fundamental conceptual tension identified in the SAP: A simplified access modality cannot effectively serve as a "simplified access" tool and an "innovation/piloting" mechanism. The SAP struggled to fill both functions. The new modality should focus on replicating and scaling up proven interventions, while leaving piloting of new project ideas to dedicated innovation facilities better suited to higher-risk interventions. Experimental or pilot projects are supported through other channels, such as RFPs or the regular PAP, as appropriate.

Recommendation 5: **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 shows that lessons are only valuable if translated into genuinely differentiated approaches rather than refined versions of current practices. To achieve this, the Secretariat could establish a cross-institutional task force to review and redesign coordination mechanisms across all GCF modalities and programmes, ensuring readiness support, project preparation facilities, and approval processes are integrated. Particular emphasis could be placed on linking Readiness and

Preparatory Support Programme and Project Preparation Facility support directly to the new modality.