THE INDEPENDENT ASSESSMENT OF THE GCF'S SIMPLIFIED APPROVAL PROCESS (SAP) PILOT SCHEME

BACKGROUND

At B24, the Board asked the IEU to conduct an independent assessment of the GCF's Simplified Approval Process (SAP) Pilot Scheme to be presented to the Board at B.26.[1]

OVERVIEW: WHAT IS THE SAP MODALITY?

SAP was approved in B.18/06 (October 2017) to "reduce the time and effort needed in the preparation, review, approval and disbursement procedures for proposals of certain activities". To be eligible, each proposal needs to:

1. Require no more than USD 10 million of GCF contribution.
2. Have minimal to no environmental and social risks and impacts, i.e. an ESS category C/ I-3.
3. Have the potential for 'scale up' and transformation while promoting a paradigm shift to low-emissions and climate resilient development.

The GCF accredited entities (AEs) can apply for funding.

WHAT DID THE EVALUATION FIND?

1. What has been the quality of the implementation of the SAP pilot?

1a. Overall the Secretariat's implementation of SAP has been **partially satisfactory**.

1b. The modality has **not translated into simplified requirements,** nor has it accelerated the project cycle process. The process lacks transparency and predictability with multiple layers and duplicative steps.

1c. The **median time** taken for SAP proposals to get approved by the Board is 365 days from the submission of Concept Note (CN) to approval. This is not significantly shorter than the time taken for projects processed through the regular Project Approval Process (PAP).

1d. At the institutional level, there is a **lack of incentives** for GCF secretariat staff, to process SAP proposals. There are no SAP-specific KPIs at the overall GCF level.

1e. Two elements in the Board decision have **not been implemented yet**: approvals in the absence of

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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.*

A young Indian farmer digs his field in the sunset, India. ©CRS Photo/Shutterstock.com

Board meetings; and, the review of proposals by the independent Technical Advisory Panel (iTAP) on a rolling basis.

2. What is the value-added of SAP?

2a. SAP projects approved so far **comply** with two of the three eligibility criteria. The definition of the "ready for scale up" criterion is unclear and has not been applied consistently.

2b. Most SAP projects support further testing and demonstration of ideas and approaches, but do **not support the "scaling up"** of successful ideas and approaches.

2c. None of the SAP projects support **research** on innovative ideas or proofs of concept.

2d. Project proponents have found it difficult to define or articulate "**climate rationale**" in SAP proposals.

2e. There are **very few SIDS projects**, processed through SAP.

2f. There is minimal presence of **private sector entities** in the SAP portfolio. No 'new' entities have come to the GCF because of SAP.

3. Is there an overall strategy for SAP?

3a. There is **no SAP strategy** that would help to define how SAP contributes to the overall mandate of the GCF.

3b. SAP projects **do not reduce the burden for AEs**. Neither are they specially conceived to meet countries' urgent needs.

3c. The use of SAP by AEs **has not improved their understanding** of the GCF and its processes.

Key recommendations from the IEU

For the Board: The GCF Board is requested to consider the following recommendations:

1. **Simplify** the SAP review criteria and develop tailored investment criteria.
2. Consider **delegating authority** to the Executive Director for a faster approval of projects that meet the SAP eligibility criteria.

For the Secretariat:

1. Further simplify and accelerate the **SAP review and post-approval processes**. Clearly explain the key GCF concepts, such as 'climate rationale' and 'ready for scale up'. Have a consistent set of guidelines for the Secretariat and iTAP review.
2. **Implement the following** elements of the Board decisions that have not been implemented yet: (i) simplified financial terms, (ii) approvals in the absence of Board meetings, (iii) iTAP review on a rolling basis, and (iv) robust monitoring systems in SAP proposals.
3. Include **a capacity development programme** to support Direct Access Entities in understanding simplified and accelerated procedures.
4. Develop **a strategy for SAP**, which clearly defines its value added and its fit into the overall GCF mandate including near-term objectives.
5. Include a **sub-strategy for the private sector** within the SAP strategy.
6. Consider developing **institution-level KPIs** to incentivize SAP proposals for Secretariat staff.
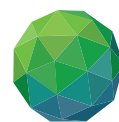
Methods

The assessment employed a mixed methods approach, combining both qualitative and quantitative data collection and analysis of the GCF portfolio and its SAP pipeline. A deep dive analysis of all the 13 approved SAP projects was conducted, in addition to a benchmarking exercise of roughly 12 organizations (Adaptation Fund, Korean Development Bank, Children's Investment Fund Foundation, etc.).

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