

GCF IN BRIEF: SIMPLIFIED APPROVAL PROCESS



The Green Climate Fund is moving quickly to build a large and transformative project portfolio, with many projects already under implementation with the objective to adapt and/or mitigate to climate change.

However, there is a need to simplify and streamline the approval of certain small scale projects, particularly from direct access entities. In response, the GCF's Board has approved a new approach: the Simplified Approval Process (SAP), which is now operational.

What is the Simplified Approval Process?

Adopted during the 18th Board meeting in October 2017, the Simplified Approval Process is for small-scale low risk activities.

The simplifications are two-fold:

1. The documentation to be provided with the Funding Proposal is reduced; and
2. The review and approval processes are streamlined.

These two simplifications should lead to a reduction in time and effort required to go from project conception to implementation.

What are the eligibility criteria?

Projects or programmes are eligible for the SAP if they meet three main eligibility criteria:

1. Ready for scaling up and having the potential for transformation, promoting a paradigm shift to low-emission and climate-resilient development;
2. A request for financing to the GCF of up to USD 10 million of the total project budget; and
3. The environmental and social risks and impacts are classified as minimal to none.

Eligible activities include, among others:

- Capacity development, planning support, institutional development, advisory services, communication and outreach, early warning and other monitoring systems;

- Household-level facilities and production within an already built-up area and with no additional footprint (basic post-harvest processing, rainwater harvesting, pico-to micro-scale renewable energy, retrofitting renewable energy systems and energy efficiency and conservation, smallholder agroforestry and small-scale climate resilient agriculture);
- Small-scale rural and urban community-based projects, rural water supply and drainage at village level (including smallholder farm irrigation such as drip irrigation, shallow wells, etc.), rural energy, small-scale infrastructure (including in-situ rehabilitation, upgrading and maintenance of existing public facilities where waste will not be an issue), small-scale community-based watershed and habitat management and rehabilitation, climate resilient agriculture, soil and water conservation, and community forest management activities.

Projects or programmes that include known risk factors, which would require additional information and more detailed due diligence and consultations by relevant entities, are not eligible. Examples of risk factors are activities causing displacements, affecting indigenous people, in protected areas, in cultural heritage sites, generating waste, affecting health, involving trans-boundary impacts, and that have associated facilities.

How does it work?

Proposals for projects or programmes meeting the eligibility criteria can be submitted by Accredited Entities (AEs), especially direct access entities. Concept notes can also be submitted by National Designated Authorities (NDAs) and Focal Points. The GCF secretariat will provide support to direct access entities to ensure that they represent 50% of the approved projects or programmes under the SAP, over time.

The proposal approval process is as follows:



Proposal submission

- AEs and NDAs can submit Concept Notes using the online Concept Note template and ESS checklist.
- The GCF Secretariat validates the risk category and notifies the AE and / or NDA of the eligibility under the SAP.
- The AE develops a Funding Proposal, including a pre-feasibility study, a summary of the consultations with stakeholders and an engagement plan with a grievance redress mechanism, and an Environmental and Social Action Plan, as required.

Proposal review

- The Secretariat reviews the Funding Proposal and annexes, as does the Independent Technical Advisory Panel (ITAP), on a rolling basis.
- The activities included in the Funding Proposal will be assessed on a case-by-case basis to determine their eligibility under the SAP.

Board approval

- The Board considers the Funding Proposals for approval during its regular meetings.

Post-approval

- The Secretariat expedites the post-approval process, as appropriate.

Implementation

- The Secretariat undertakes robust monitoring to ensure implementation of the conditions and covenants, and to ascertain that GCF procedures and safeguards are maintained.

What are the next steps?

Concept Notes and Funding Proposals can be submitted via email to fundingproposal@gcfund.org.

Guidelines will soon be developed to support Accredited Entities, particularly direct access entities, and NDAs, in developing proposals for the SAP. Capacity building will be provided through webinars.

All other interested parties are encouraged to partner with AEs or the NDAs to submit proposals for the SAP.

Further information on the SAP, including the SAP Concept Note template, is available on the GCF website.

Contact

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