
GCF Guideline

Guidance for preparing a pre-feasibility study under the Simplified Approval Process



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Guidance for preparing a pre-feasibility study under the SAP

I. Introduction

1. GCF has introduced the Simplified Approval Process Pilot Scheme (SAP) as a way to apply for GCF funding for smaller-scale projects or programmes. It is specifically designed for adaptation or mitigation initiatives that require a GCF contribution of no more than USD 10 million which have minimal environmental and social risks.

2. This guidance provides a snapshot of how to compile a pre-feasibility study, a requirement for all SAP funding proposals - based on [GCF Board Decision B.18/06](#). The pre-feasibility study is designed to demonstrate that the proposed project/programme is sound on technical, economic, social and environmental grounds.

3. This document provides a step by step guide to show:

- what is a pre-feasibility study and what is its role;
- what studies should be included to allow GCF to access the merits of the SAP funding proposal while considering the project development process/cycle;
- the level of “granularity” expected in the data and information reported in the feasibility study.

This guidance should be viewed as a general example.

4. GCF can provide guidance and clarification about the pre-feasibility study after receiving the SAP concept note, which represents the starting point of the SAP application process. The preparation of background information for the SAP pre-feasibility study is less resource-intensive than standard funding proposals since SAP projects are smaller in monetary value and carry less risk.

1. Key considerations

5. When preparing a pre-feasibility study under the SAP, Accredited Entities may consider the following:

1. The study can make use of **existing information and data from secondary sources** and complement these with primary data as needed.
2. Technical studies, data and information can be collected from previously implemented projects, or projects that are approaching the end of their implementation.
3. If **evaluation reports and previous feasibility studies from those previously implemented/ongoing projects** are available, they can be used in the preparation of the pre-feasibility, assuring that the technologies and solutions proposed are tailored and assessed to be feasible and viable in the context of the proposed SAP project.
4. Information presented in the funding proposal and pre-feasibility study should be presented in a succinct and structured manner, **in a way that information does not duplicate and is complementary to each other**. Please ensure the SAP funding proposal refers to the pre-feasibility document page and paragraph where additional details and in-depth information are provided.
5. **The length of the pre-feasibility study is not restricted.**

2. Difference between feasibility and pre-feasibility studies

6. Projects and programmes that are eligible for SAP are micro- or small-scale with minimal to no adverse environmental and/or social risks and/or impacts. This means a full feasibility study (such as large-scale infrastructure) is not needed by default.

7. The role of the pre-feasibility study should be to present an assessment of the proposed project/programme’s interventions in terms of the soundness of their technical design, costs and benefits, social and environmental impacts, legal and regulatory environments in which the proposed interventions/activities are expected to be implemented, institutional and financial aspects, and any other analysis to assess feasibility of the investment. The pre-feasibility study should provide a clear conclusion, with recommendations that explain the underlying logic of the project structure and activities.

8. While both feasibility and pre-feasibility studies serve the same purpose, there are some differences in terms of their contents, as presented in the table below:

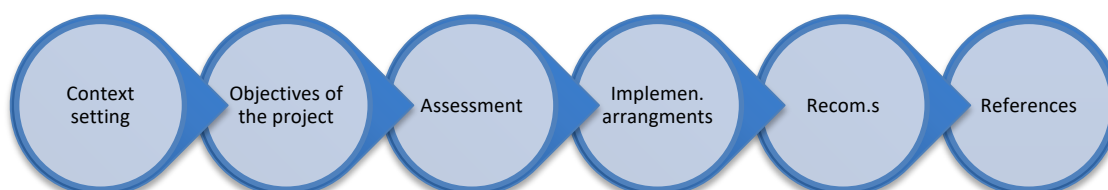
Table 1. Same feature and key differences between feasibility and pre-feasibility studies

	Feasibility study	Pre-feasibility study
Same feature (concept/purpose)	Presenting technical, environmental, social, policy assessment of feasible options/solutions for the proposed project/programme, and proposing outcomes and recommendations with the most feasible and sound options for the project/programme	
Key differences	<ul style="list-style-type: none"> • Uses primary and secondary data sources • Incorporates in-depth technical design studies for the proposed technological solutions • May involve detailed engineering study/analysis with testing work and on-site appraisals • Includes deeper analysis and testing of each feasible option 	<ul style="list-style-type: none"> • Can rely on secondary data sources complemented by primary sources (as needed) • Makes use of existing evaluation reports for previously implemented/ongoing projects • Uses proven technologies and solutions with track record to demonstrate the feasibility of proposed technological solutions • Assesses feasible options using existing/available data, studies, resources

9. Every GCF SAP funding proposal is different. So the type and quantity (granularity) of information and data needed varies for different projects and sectors covered. The GCF publishes specific SAP technical guidance documents for each sector on the [SAP webpage](#).

3. Approach

10. This is a general diagram which shows the elements of a SAP pre-feasibility study. You can see a more detailed explanation of what constitutes a pre-feasibility study in the example in section 4.



11. Regular GCF funding proposals need to address particular climate rationale. This is also the case with SAP proposals. The climate rationale should include scientific analysis. The table below could provide general guidance on how to present a scientifically-based climate rationale:

<ul style="list-style-type: none"> • Why responding to climate change is important for the country, people and economy? • Which type of discernable changes have been influenced/forced by climate-related parameters in the target region(s), and which impacts can be linked and by how much (emphasising on attribution) for the sector and different demographic groups in the target region(s)? • What projected impacts are likely to occur in the working locations under climate change within a time frame of the project cycle (say, between now and 2030s or 2040s)? • What general responses (i.e., interventions) are proposed and considered to address the changes and related impacts (for adaptation projects, please emphasise on changing sensitivity to impacts and/or change in adaptive capacity)? • Can there be viable alternative responses/interventions for the same climate change-related problems, and which one is chosen and what is the rationale for such choices being made? • An analysis of the barriers, as perceived within the prevailing context of the country/region, to the implementation of the chosen/proposed intervention(s).
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4. Example of the structure of a pre-feasibility study

Structure Pre-feasibility Study	
1.	Executive Summary
2.	Context setting: <ul style="list-style-type: none"> ✓ Baseline assessment and situation Analysis/SWOT ✓ Analysis of climate change risks, impacts, and vulnerability analysis at national/regional level and location of the project. ✓ Policy landscape (NDC, NAPs, etc) ✓ Legal and regulatory landscape ✓ Current and recently closed projects related to climate change that the proposed SAP scale up or/and build upon/complement or if project preparation was supported by Readiness or other preparation support activities;
3.	Etc.Pre-feasibility assessment: <ul style="list-style-type: none"> ✓ Technical assessment (technical options proposed and specifications for equipment, infrastructures, etc). ✓ Environmental, economic and social assessments ✓ Financing options, reasoning for the concessionality requested, capex and opex (O&M) description. ✓ Economic and/or financial viability ✓ Exit strategy and sustainability ✓ Etc.
4.	Specific information on the project (should not be duplication with the funding proposal): <ul style="list-style-type: none"> ✓ Climate rationale (see box above) ✓ Incremental cost reasoning (if needed) ✓ Theory of change ✓ Project objective, logic of action and components. ✓ (For the specific logframe and indicators, please follow the templated in 2a) ✓ Timeline of the implementation (follow the specific template in 2b) ✓ Etc.
5.	Implementation arrangements: <ul style="list-style-type: none"> ✓ Stakeholders analysis and evidence of consultations and stakeholder engagement plan ✓ Capacity assessment and due diligence on the executing entities ✓ Implementation arrangements and governance of the project (e.g. national implementing modalities, steering committees, project implementation unit composition, etc.). ✓ Institutional and programme/project level grievance redress mechanism(s) ✓ Etc.

Recommendations

Brief conclusions of what has been presented as part of the pre-feasibility study describing how factors (such as solutions, technologies, implementation plan):

- fit the context where the project is intended to be implemented,
- can achieve the climate results envisaged,
- provide the sustainability of those climate results overtime, once GCF exits the project.

References

12. List of the studies, reports, media sources, books, articles, published and unpublished that have been used as second source of information. APA or MLA bibliography formats are encouraged.

Other possible annexes

13. The following are other type of sections/information that could be attached if/as needed or appropriate:
- Technical specifications of equipment
 - Proceedings of stakeholder consultations