



GREEN
CLIMATE
FUND

GCF/B.12/36

26 April 2016

Compilation of submissions:
Review of the initial proposal
approval process*

*The submissions have been included as received without any editing or formatting.

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I. Introduction

1. Following the Board's decision at its 12th meeting, the Green Climate Fund (GCF) invited submissions of inputs on the initial proposal approval process, which is currently under review. The invitation was open to the Board members and alternate members, observers, accredited entities, national designated authorities or focal points, and delivery partners.

2. Submission of inputs were invited in relation to the review of the initial proposal approval process and in accordance with decision B.11/11 paragraph (j), which listed the following seven elements for review:

- (a) Strengthening and scaling up the GCF pipeline, including the country programme pipeline;
- (b) Streamlining and improving the transparency of the proposal approval process;
- (c) Defining further decision-making options, including deferral of proposal approvals;
- (d) Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary;
- (e) Supporting the Board to make decisions regarding funding proposals;
- (f) Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding; and
- (g) Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism.

3. The review of the initial proposal approval process will include, but is not limited to, the policy gaps listed in paragraph (c) of decision B.11/11 and other common areas contained in paragraph (d) of that decision.

4. The deadline for submissions was set for 15 April 2016. 45 submissions were received and these are presented in this document in the order in which they were received and without any editing or formatting.

II. Submission from NDA/Focal Point of Antigua and Barbuda

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<p>The projects and or programs should be linked to the INDCs and the impacts on the transformation of a sector. The project proposals are currently structured as a bank loan and or program. It will be difficult to be transformative if the questions being asked and answered are structured in this manner.</p> <p>The format should move away from that of a Development Bank and reflect the work the convention.</p>
b.	Streamlining and improving the transparency of the proposal approval process	<p>The transparency of the pipeline of the projects is important. Once again this is not a Bank it is a facility to solve and environmentally problem. The Board should have an early signal in the approval of a concept. This will provide early information of the pipeline and give the recipient countries certainty that the project will be approved so they can set aside the appropriate resources.</p> <p>All concepts should come to the Board if the meet basic criteria for approval. The secretariat should only provide light due diligence since this is being done at great cost of the Fund at the level of the AE and the NDAs. Further the integrity of the Secretariat will be in question if they do not reveal the concepts to the Board and can be a risk to the Fund.</p>
c.	Defining further decision-making options, including deferral of proposal approvals	<p>I do not understand this question? Why should this be an option? The convention and the climate will not defer its impacts. The Board should do all it can to get the projects on the ground.</p>
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	<p>This is a necessary approach to mitigate risk. Once again this is not a Bank where if you get the loan or not it is ok. This is a fund created to facilitate the legally binding agreement. Technically one cannot say no to a project ...but you can cause the project to be designed according to Fund policies if it is introduced early enough.</p> <p>It also gives udn an opportunity to ensure that ESS and other risk are carefully considered during the project cycle. A robust project cycle where all stakeholders including the convention can see what is happening important to the Evaluation of the Fund, the IRM and the Integrity of the Secretariat charged with the management of this process.</p> <p>It will also be an important and objective way to evaluated the Board, the ED, the AE, NDAs and of the secretariat. The concept approach is used by most funding agencies with the exception of the Banks. Once again the Fund is behaving as if it is a Bank.</p>



e.	Supporting the Board to make decisions regarding funding proposals	<p>A concept stage approach will provide the Board with a short document with enough information to make a decision. The Members of the Board that represent constituencies can also use this to communicate to its constituents.</p> <p>The secretariat should use easy check list to assist the Board in its decision making. The provision of hundreds of pages of documents raises the question of the competency of the secretariat.</p> <p>One should also note that Developing country board members do not all have means to have advisors to review all of these documents. The earlier they are available it is best so that all Board members are on the same page.</p>
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	<p>I think this concept should be carefully discussed and reviewed at a future date after more projects has been approved.</p>
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	<p>The IRM is the duty of the Board, Board members should assume this responsibility until the system is up and running.</p>
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	<p>will get back on this issue asap.</p>
	Any other general comments/inputs	<p>The fund is operating as a Bank and this is a major limiting factor. This has to reviewed to make it more in line with the other funds such as the GEF and the AF.</p>

III. Submission from Asabe Shehu Yar'Adua Foundation (ASYARF)

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	The Programmatic approach is quiet promising and flexible. The Board should state clearly the minimum requirements for a programmatic proposal in order to enhance cohesiveness among the subprojects.
b.	Streamlining and improving the transparency of the proposal approval process	Adopting a lower hurdle for approving simple, lower risk, lower value proposals should be limited to micro scale proposals and to enhance transparency, observer entities to the GCF should be carried along in the assessment process.
c.	Defining further decision-making options, including deferral of proposal approvals	The decision deferral and resubmission option and a deferral limit should be introduced together in decision text.
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	TAP (Technical Advisory Panel) should not be involved at the early stage of the project; this will definitely compromised its independence. Rather Concept notes should remain on a voluntary basis as part of the proposal approval process and just one step.
e.	Supporting the Board to make decisions regarding funding proposals	Funding approval by the Board should remain the way it is as this approach provides additional insights that the Board may draw upon when making decisions on funding proposals.
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	Strengthening eligibility criteria, the GCF should advance its work on developing indicative minimum benchmarks and developing risk investment criteria, identified as a policy gap in decision B.11/11, paragraph (c).



g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	Developing interim procedures for redress pending the recruitment of the head of the independent Redress Mechanism is a good step but their period, areas of operations and functions should be well defined and stated clearly.
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	The decision deferral and resubmission option should not be overlooked; it impacts positively on the work of GCF. A second chance to be heard should not be ignored.
	Any other general comments/inputs	The work of GCF is evident in all ramifications, this process for input gathering is excellent and it gives the participants (organizations, Members) opportunity to contribute to the work of GCF. It is insightful, educative and interactive. The observer organizations should be notified on time to enable them to make early preparation for attending Board Meetings.

IV. Submission from TIANQING POWER Green Climate Consulting Co., Ltd.

Elements for review	Comments/inputs
<p>0 Important inputs summary (Overall Suggestion)</p>	<ol style="list-style-type: none"> <li data-bbox="470 499 1385 1263">1. The Executing Entity (EE) is not mentioned in the whole document of <i>Review of The Initial Proposal Approval Process</i>, while as the project sponsor, EE is the user of GCF funds and AE's co-financing funds, and is the most important project participant, the most direct beneficiary and the provider of emission reductions and climate-resilient projects; moreover the EE is responsible for the planning, design, implementation and operation of project. Obviously, its' important role in GCF is unquestionable. Therefore, we think that EEs shall not be neglected and shall be considered as an indispensable role in the proposal approval process, otherwise it is hard to ensure that the projects will be implemented and operated as expected by GCF under the circumstances that there is not any direct connection between GCF and EEs. So EEs shall be involved in every step of the proposal approval process, and this suggestion will be specified in the following detailed advice. <li data-bbox="470 1294 1385 1998">2. A Glossary should be developed as soon as possible, and in which proper nouns and terms appearing in GCF documents need to be exactly defined. Because there are no exact and clear definitions for some terms, such as scaling pilot, incremental cost, mitigation, adaptation, public sector /private sector entity, public sector /private sector project/programmme, and environmental and social risk category A/B/C, and etc., it causes reading difficulty and misunderstanding to financial institutions, enterprises and other stakeholders. Sometimes, in order to find out the clear definition of one term, several relevant documents need to be researched, or even come to nothing after researching. So it is essential to develop a GCF Glossary, which is not only helpful to regulate GCF's governance, but more helpful for AEs, EEs, consultants and other stakeholders to study GCF and develop

	<p>mitigation/adaptation projects/ programmes.</p> <p>3. It is suggested that a Public Registration Platform shall be set up, through which the projects/programmes could be collected globally (not only come from AEs but also from EEs) and disclosed to all stakeholders for opinions and cooperation opportunities. Currently, the main channel of submitting funding proposals to GCF is through the recommendation of AEs, which limits to strengthen and scale up GCF pipeline. As far as we have learned, many EEs have made contact with AEs after knowing that GCF could offer low-interest loan even grant for mitigation /adaptation projects/programmes, whereas the fact is that they barely received any response from AEs, or some AEs responded that they would only recommend the projects developed by itself other than the projects submitted spontaneously by EEs, or some of the AEs responded that they would only subject to the identification by local offices other than the projects submitted spontaneously by EEs, or some AEs responded that since the guidance for employing GCF resource is still under construction and therefore they have no idea how to engage in GCF at present, and so the EEs have to wait. All these indicate that it is limit to scale up GCF pipeline through the present channel, and therefore a new additional channel, a Public Registration Platform (Platform), should be developed as a supplement, through which the projects/programmes could be inspired and collected globally. Or else, it is very likely that many projects/programmes will lose the opportunities to turn their concepts into reality for lacking of the channels to let AEs know about their concepts.</p> <p>The following is the detailed process of the new additional channel-the Platform we proposed, and how it works.</p> <p>Step 1: EEs develop the concept notes;</p> <p>Step 2: Submission of concept notes to NDA/FP for no-objection letter</p>
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application;

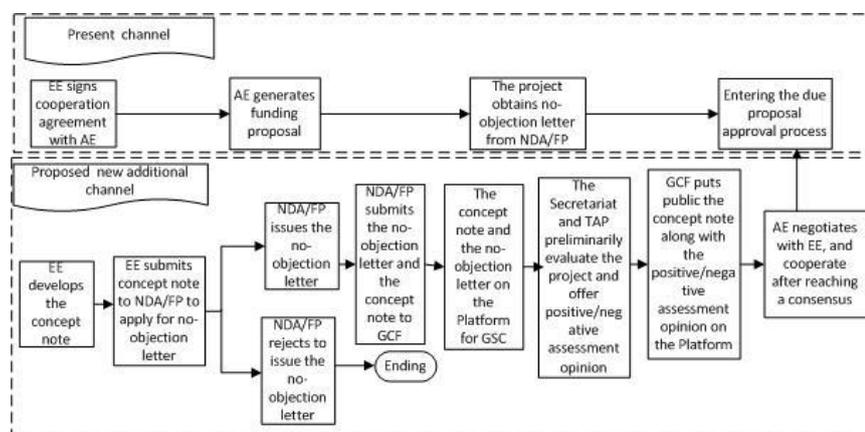
Step 3: NDA/FP submits concept notes and no-objection letters to the Secretariat. The concept notes and the no-objection letters will be published on the Platform for global stakeholder consultation (GSC);

Step 4: After the GSC, the Secretariat and TAP will make a preliminary evaluation, including but not limited to whether the no-objection letter is available, the mitigation /adaptation impacts of the proposed projects/programmes, the comments and complaints during the GSC period, etc.;

Step 5: Disclosure the evaluation opinions (positive or negative) on the Platform, and then AEs and EEs will negotiate freely on the cooperation issues;

Step 6: AEs and EEs reach a consensus after negotiation and AEs start the due diligence on the project and prepare funding proposals after they decide to deliver it to the GCF, and then enter the due approval process as the present channel implemented by GCF.

Please make reference to the following detailed flow chart:



		<p>The establishment of the Platform may effectively strengthen and scale up the GCF pipeline and give assistant to AEs to find the best projects they are interested in. At the same time, the GSC could guarantee the transparency, fairness and justice, and reduce the workload of AEs and GCF on ineligible projects/programmes at later stage, thus improving efficiency and effectiveness. The setting of the Platform could make GCF a distinctive Financial Mechanism of the Convention, and differentiate it from multi-lateral development banks in operation to achieve the goal of GCF.</p>
<p>a.</p>	<p>Strengthening and scaling up the GCF pipeline, including the country programme pipeline</p>	<ol style="list-style-type: none"> 1. Setting up the Public Registration Platform for projects and engagement of EEs in the whole proposal approval process based on above overall suggestion 3 and 1, which is critical for pipeline strengthening and scaling up. 2. AEs should set up a dedicated interface in its website which clearly defines the channel, steps, requirements for GCF funding application, and it should be linked on GCF's website, so that EEs could easily get the information and requirements of AEs through GCF website. 3. We suggest PPF could also be applied by EEs and the fund should be disbursed to EEs through AEs to support the preparation progress of projects. If the PPF is only applied by AEs, on the one hand, considering the trivialness, complexity and long-lasting of project preparation, the initiative of AEs, except some specific AEs such as department of a country, could be possible impacted, and therewith effectiveness of PPF will be weakened. On the other hand, currently the PPF will not play its role effectively in many

		<p>developing countries considering that there are no AEs in these countries, which will restrict the scaling up GCF pipeline. Therefore, PPF application submitted by EEs would be a solution to the issues above and yield great returns on scaling up GCF pipeline.</p>
b.	<p>Streamlining and improving the transparency of the proposal approval process</p>	<ol style="list-style-type: none"> 1. We suggest that the schedule of AEs and GCF during each of four steps should be clearly defined and a deadline should be set up for both parties, thereby improving the efficiency and transparency of the process. Besides, the status of each project under review by GCF should be timely disclosed on GCF website, which will increase the streamlining and transparency of the proposal approval process. 2. It was suggested that the simplification funding proposals also take into account the need to develop and implement simplified approval procedure for small-scale activities. We agree with the suggestion, and also suggest that micro scale activities, Category C (low) E&S level risk activities should also be taken into account.
c.	<p>Defining further decision-making options, including deferral of proposal approvals</p>	<p>We think it is necessary for deferral of the proposal approvals.</p>
d.	<p>Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary</p>	<ol style="list-style-type: none"> 1. Referring to above overall suggestion 3, in the Platform, the concept notes can play an important role within the project cycle. As it is suggested above, both AEs and EES could submit concept notes and no-objection letter for GSC, after GSC and assessment of TAP, GCF will disclose the assessment result (positive or negative) along with the concept notes, no-objection letter, etc.. This process will facilitate the cooperation between AEs and EEs. Details refer to the above flow chart. 2. We support the TAP's engagement in concept notes review. Since through initial assessment of TAP, the potential high-quality projects will be

		<p>identified at an early stage. Therefore, the risks of projects applying for GCF funds will be decreased and the review workload, caused by low-quality project entering TAP review, will be reduced, and thereby improving the efficiency of AEs and GCF.</p>
e.	Supporting the Board to make decisions regarding funding proposals	<p>As for the Board decision-making for funding proposal, we suggest the Board decision making procedure for micro scale activities, small scale activities, and Category C activities should also be simplified considering the simplified approval procedure will be developed and implemented based on above “item b “.</p>
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	<p>We think it is necessary to strengthen project/programme eligibility criteria.</p>
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	<ol style="list-style-type: none"> 1. We suggest setting a redress interface on GCF website to receive complaints, suggestion and recommendation etc. from all stakeholders; 2. Paragraph 65 of Document GCF/B.12/Inf.05 discusses the contents addressed by the initial redress mechanism, we suggest enlarging and refining the contents of complaint, such as: complaints for the low progress of approval process, complaints from EEs for non-compliance, omission and other acts of AEs.
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	



<p>Any other general comments/inputs</p>	<ol style="list-style-type: none"><li data-bbox="475 286 1385 439">1. The document GCF/B.12/Inf.05 refers that Board has the decision option to reject the funding proposal. However, it is better if the specified reasons for rejection could be notified to AEs and EEs in time.<li data-bbox="475 472 1385 1171">2. Section 2.6 of the document GCF/B.12/Inf.05 states that for each funding proposal approved, legal arrangements must be made between GCF and AEs. As it is suggested above overall suggestion 3, EEs shall not be neglected and shall be considered as an indispensable role and be involved in every step of the proposal approval process. As for the approval of proposal and the signature of FAA, it is suggested that GCF could send the decision and the notification to AE and EE at the same time. For projects employing financial instrument of loan and equity, the engagement of EEs should be further enhanced. For example, for equity project, according to information available, it is understood that the FAA will be signed between GCF and AEs, not with EEs, which is not logical considering that GCF is the shareholder of the EEs' projects.
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V. Submission from KfW

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<p>We believe that the following factors have most impact on the limitation of GCF's pipeline:</p> <p><u>1. Project development</u></p> <p>The GCF currently only reviews Funding Proposals from Projects which are fully developed and appraised. All documents, including Feasibility Studies and ESIA's need to be finalized. As a rule, co-funding has to be at least committed, if not contracted.</p> <p>It is unrealistic to assume that a large number of projects is brought to such advanced development stage with view on GCF funding only. Funding by the GCF for the time being remains difficult to predict and success chances uncertain. Accordingly, the GCF pipeline is mainly confined to projects which are already at an advanced stage of development, which coincidentally fit into the GCF funding policies and meet its requirements, and which still have a funding gap that the GCF can close.</p> <p>Accredited Entities would be in a better position to broaden the GCF pipeline and develop projects that are specifically tailored to the GCF, if a 2 stage approval process would be introduced. This should however be made within the currently available procedures and tools and should not add significantly to the complexity of the existing approval process.</p> <p>Accredited Entities should have access to project development funds after the first level of approval, as currently discussed under the Project Preparation Facility. Such funds should not only be available for Direct Access Entities, but for any Accredited Entities, as Accredited Entities may not have budgets for studies which are required during the due diligence process and which can be very costly (inter alia for environmental and social impact assessment, gender inclusion, resettlement plans, legal opinions etc.).</p> <p><u>2. Funding conditions</u></p> <p>So far no clear policy on terms and conditions of investments has been developed by the GCF. The drafts which have been discussed in the board and the currently applied practices indicate that funding terms will be handled rather restrictively. In particular, grant elements for public sector projects are supposed to be reserved only for a very limited scope of investments and may be confined to financing TA components. Some projects, especially adaptation projects in developing countries, are not feasible under such conditions. Also the policy does not take into account the requirements for leveraging additional finance, including from private sources.</p>

		<p>Also for private sector investments, the proposed investment terms, as indicated inter alia in the Initial Risk Management Framework (GCF/B.12/17), foresee a conservative approach under which the GCF would only be able to provide minority co-investments at similar risk and financial conditions as other investors (usually from the private sector).</p> <p>To leverage private climate finance, grant elements are required for making new and innovative measures viable at commercial terms and for de-risking investments. Such grant elements are usually not at the disposition of international financing institutions and it should be the GCF's role to use contributions by the donor countries for that specific purpose.</p> <p>In particular with a view on the GCF's aim to revolutionize climate finance by causing a broad paradigm shift, mobilizing private climate finance at scale and going beyond best practices in environmental and social management as well as gender inclusion, the funding terms should thus be designed in a more flexible way. The level of concessionality should take into account specific project requirements and the purpose of mobilizing private climate finance. The GCF should have a mandate to accept risks which a common investor would not be able to take, in order to make innovative approaches possible and add additional value. This should include private sector investments. The GCF should be able to lead in new and innovative projects and not only co-finance existing concepts. The requirement of co-funding from other donors is further questionable, as it requires donor countries to contribute two times: directly and via its contribution the GCF.</p>
b.	Streamlining and improving the transparency of the proposal approval process	<p>As proposed above, a two stage approval process should be introduced. A first level approval should be made on basis of the concept note for projects in an earlier development stage, taking into account following considerations:</p> <ul style="list-style-type: none"> - The requirements for first level approval should be clearly defined in order to allow for proposal of projects in an earlier stage, while avoiding that too many immature or unrealistic proposals are presented - Similarly, the level of detail requested in a concept note should be clearly defined so that a sound basis for a decision and for discussion with the AE is provided at reasonable cost and effort. <p>Based on the initial approval, which is conditional to the final assessment of the project, GCF and the Accredited Entity would be in a position to further develop the project in a more cooperative manner, so that specific requirements and other guidance by the GCF can be taken into account during the project preparation and the individual projects can be aligned more efficiently with the GCF strategies and priorities.</p> <p>Such approach would also avoid problems which may occur when the GCF, during its second level due diligence, requests amendments to projects while the details are already agreed to and approved by the partner country, the implementing entity and other relevant stakeholders.</p>



		Streamlining and improvement of processes should also cover the contractual structures for funded activities. The sequence of events, in particular in connection with the contractual arrangements between the Accredited Entity and the recipient / Implementing Entity, is sometimes confused. It should be acknowledged that the Accredited Entity can only enter into contracts with the recipient, once funding by the GCF is confirmed and the relevant Funded Activity Agreement is signed. Any obligations on the partner can only be enforced upon that point of time.
c.	Defining further decision-making options, including deferral of proposal approvals	- none -
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	<p>Concept Notes are currently a voluntary step and no clear requirements are defined. If concept notes shall be further formalized, it should lead to a two stage process as described above. A further formalization which does not lead to such first level funding decision , would only add to the complexity of the process, while not bringing real added value.</p> <p>The feedback of TAP on concept notes does not seem necessary, even in case they would be the basis for a first level approval. The first level of decision making should focus on the alignment of projects with the GCF strategies and priorities, as well as an initial cursory risk assessment. This should be done by the Secretariat and reviewed by the Board. Independent technical review by ITAP does not seem appropriate and necessary at that stage.</p> <p>Contact between the TAP and the accredited entities would be advisable during the final review process. In particular, there should be a pre discussion of TAP recommendations. In the current process the AE does not become aware of TAP recommendations prior to the board decision and does not have the chance to comment it or provide clarifications. This may in the worst case lead to the inclusion of TAP recommendations into the board decision, which cannot be implemented.</p>
e.	Supporting the Board to make decisions regarding funding proposals	- none -
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	<p>Eligibility criteria should be designed on a high level, if at all, in order not to unnecessarily limit the scope of GCF's investments. Project requirements should be defined transparently on basis of the Investment Framework.</p> <p>It does not become clear how the concept of incremental costs is applied in practice by the GCF. It does not appear to be feasible for many project types, as also indicated in Annex 5 to the Initial Investment Framework (GCF/B.09/07).</p>



g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	- none -
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	

VI. Joint submission from four GCF Board and alternate members

Joint Submission to the Green Climate Fund Board by Diann Black-Lane¹, Tosi Mpanu-Mpanu², Cheikh Sylla³, and Anders Wallberg⁴, facilitated by Benito Müller⁵

Background

This submission is in response to the invitation by the Green Climate Fund (GCF) Board in Decision B.12/22 for *submissions, no later than 10 April 2016, from Board and alternate members, observers, accredited entities, NDAs/FP, and delivery partners, in relation to the review and in accordance with decision B.11/11 paragraph (j), as well as paragraphs (c) and (d).*

Paragraph 35 (§35) of the [Progress Report](#) on the review of the Initial Proposal Approval Process (IPAP) states that:

*While a programmatic approach could be promising to achieve scale, the programmatic funding proposals received to date confirm the importance of providing guidance for the programmatic approach. In some programmatic proposals, the subprojects involve multiple sectors, multiple countries and different types of interventions. The level of advancement of the subprojects varies. The cohesiveness among the subprojects is not sufficiently clear and the value of structuring the standalone subprojects into a programme is questionable. **A clear guidance on key subjects such as what qualifies as a programme (minimum requirements for a programmatic proposal), the required level of details for each of the subprojects in a programme, and process-related aspects such as proposal template, assessment and decision procedures (e.g. possible delegation of authority) will help to guide the accredited entities, NDAs, the Secretariat, the TAP and other stakeholders in developing and assessing high-quality and impactful programmes which provide scale to the pipeline.**[emphasis added]*

This submission about the nature of ‘programmes’ and the ‘programmatic approach’ (‘programmatic access’) is intended to suggest possible guidance with respect to the key subjects referred to in this paragraph.

Varieties of Programmatic Access

The notion of a ‘programmatic approach’ has a well-established meaning, particularly in the context of development assistance. Its defining characteristic has been a specific contractual arrangement between the funder and the programme implementer for a set of activities that is broader than a single project. As alluded to in §35, programmatic approaches can differ with respect to different levels of delegated/devolved authority. Müller & Pizer,⁶ for example,

¹ Alternate Member GCFB, Antigua and Barbuda.

² Member, GCFB, DR Congo.

³ Alternate Member GCFB, Senegal.

⁴ Member, GCFB, Sweden.

⁵ Managing Director, Oxford Climate Policy.

⁶ See Müller & Pizer (2014), [Devolved Access Modalities: Lessons for the Green Climate Fund from existing practice](#)

used the following taxonomy of programme types based on increasing levels of devolution in decision making:

- [B.1] The specific projects associated with a particular programme in a given country are approved by the GCF at the same time as the programme approval.
- [B.2] A programme of activities is approved by the GCF, but requires subsequent GCF approval for each project once they are fully specified.
- [DA.1] The approved programme specifies in less detailed terms how the money will be spent – say, a particular wind farm and a sea wall – but without all the details that normally accompany project approval at a development bank (such as listings of co-financing partners, contracts, etc.)
- [DA.2] The approved programme allocates money for particular purposes – such as renewable energy and coastal protection – together with agreed criteria for project selection but does not specify particular projects.
- [DA.3] The approved programme provides a sum of money, perhaps into a multi-donor trust fund, and lists types of eligible activities – such as renewable energy and coastal protection – together with agreed criteria for project selection but without any sub-allocation. Payment might be provided up front, in line with projected expenditures, or upon completion and based on demonstrated results.
- [DA.4] Rather than focusing on a particular country, the GCF develops and approves funding rules for eligible activities – for example, a subsidy formula for eligible renewable energy projects – that could be used in multiple countries.

The key distinction here is between programmatic approaches with devolved sub-project approval, and those without. The latter, exemplified here by [B], treat “programmes” essentially as Bundles of (sub-) projects. As such, the issues alluded to in §35 regarding the cohesiveness between sub-projects and the added value of collecting individual projects into such bundles does indeed arise, but only because the underlying conception is that of a programme as a bundle of projects, without any devolution of decision making. However, the real promise of the programmatic approach ‘to achieve scale’ is in Devolved Access, as exemplified in programmatic access types listed under [DA].

The Need to Incorporate Devolved Programmatic Access in the IPAP

The real problem with the IPAP as approved by the Board in Decision B.07/03 is that it fails to accommodate such devolved programmatic access. Indeed, this was the very reason why a reference to ‘additional modalities that further enhance direct access’ was added to the same Decision in the context of reasons why the IPAP will have to be reviewed, and it is probably the reason why at present ‘programmes’ seem to be interpreted as bundles of sub-projects.

As it happens, the status quo has already overtaken the IPAP. Not only has the Board agreed in the TOR of the Enhanced Direct Access Pilot Phase that ‘*unlike the traditional direct access modality, there will be no submission of individual projects or programmes to the Fund because decision-making for the funding of specific pilot activities will be devolved to the country level*’ [§4.e, emphasis added], but it has already

approved an activity, the ***Acumen KawiSafi Ventures Fund***⁷ which is nothing else than a (non-national) devolved programme. Keeping in mind that the majority of the GCF accredited entities are actually accredited under the ‘specialized fiduciary standards’ to award grants or loans, it seems to us high time that the IPAP are revised ***to formally allow for the option of devolved programmatic access to GCF funding.***

We therefore submit that the review of the IPAP should address this shortcoming as a matter of urgency, and that the Board might wish to specify the understanding that ‘programmatic access’ is to be interpreted as devolved access (as exemplified under [DA]), and that project bundles are not ‘programmes’ but a special case of projects.

⁷ See Appendix to Müller (2015), [On the Virtues of Strategic Divisions of Labour: Some thoughts on strategies for the Green Climate Fund and the Financial Mechanism of the Paris Agreement.](#)

VII. Submission from Mr. Amjad Abdulla, alternate member from Maldives

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<ul style="list-style-type: none"> - Establish a process for period calls for funding proposals specifically from particularly vulnerable countries to the adverse effects of climate change, including LDCs and SIDS, in order to help achieve the balance as stipulated in the Governing Instrument.
b.	Streamlining and improving the transparency of the proposal approval process	<ul style="list-style-type: none"> - Implement simplified approval procedures for small scale projects, taking into account ongoing work of the Board regarding the issue, as well its ongoing efforts to revise templates. - Establish a project evaluation panel within the Secretariat in parallel to the Independent Technical Appraisal Panel (as currently practiced in CDM projects) to strengthen checks and balances of project evaluation process.
c.	Defining further decision-making options, including deferral of proposal approvals	
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	
e.	Supporting the Board to make decisions regarding funding proposals	
f.	Strengthening project/programme eligibility criteria, including categories	



	of incremental cost eligible for funding	
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	

VIII. Submission from Crédit Agricole Corporate and Investment Bank

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<p>We understand that GCF intends to develop into an entity that takes on the requisite risk to make an impact, and that some of the subjects identified below will or may be reviewed and amended in the coming Board meetings. We would like to re-emphasize the following, as any easing in this respect would significantly scale up the addressable GCF pipeline through CA CIB.</p> <p>We understand that the constraint of being pari-passu with the AE is an interim stop-gap measure.</p> <ol style="list-style-type: none"> 1. In the particular case of CA CIB, there are significant opportunities in countries where CA CIB cannot currently participate given CA CIB's current risk framework (e.g. Central America). Unless the GCF re-considers its pari-passu requirement, these countries would remain out of reach. Among the changes that would help strengthen the GCF pipeline originating from CA CIB, would be: <ol style="list-style-type: none"> a) GCF providing credit enhancements / first loss positions b) GCF providing a covered tranche mechanism to which CA CIB would then provide liquidity 2. Many clients of bank financing solutions seek long tenors, which are increasingly difficult to provide by banks. In the context of a pari-passu lending, having the GCF tranche be longer than the other pari-passu tranche would be a winning combination i.e. while the AE and the GCF would be pari-passu, the AE's tranche would be of shorter tenor than the GCF's.
b.	Streamlining and improving the transparency of the proposal approval process	<p>Streamlining of the proposal approval process</p> <p>Under the current setup, we understand that the funding proposal needs to include a commitment letter by the AE. This means that we would need to have fully completed our internal credit committee process before submitting a funding proposal. This creates multiple issues:</p> <ol style="list-style-type: none"> a) It makes the overall process very lengthy. Our internal process would already require two months or so. We would then have to wait for the entire GCF process (ie an additional 2-3 months at least), when in fact CA CIB would already be ready to fund. b) We cannot have a commitment letter outstanding for more than four months. If for any reason a funding proposal had to wait for another Board meeting cycle, then our commitment letter would expire and we would need to re-engage our internal process to get it extended.



		<p>c) The sponsors behind the underlying projects would find it challenging to wait for two back-to-back sets of approvals: first from CA CIB then from the GCF. They would need some form of interim financing.</p> <p>There are several options, which would mitigate the issues above:</p> <ul style="list-style-type: none"> i) Submitting a funding proposal with all the required elements except the commitment letter by the AE: Such commitment letter would be made available prior to the submission of the funding proposal to the Board – as opposed to when the funding proposal is initially submitted to the Secretariat. This would allow for CA CIB’s credit process to run in parallel to the review by the Secretariat. This could save up to two months in the overall process, without subjecting the GCF to increased risk since the commitment letter would still be available by the time of the Board review. This approach is the one we use when working with multilaterals such as CAF, IFC and others. ii) Funding the transaction following credit approval by the AE and while the funding proposal is being reviewed by the GCF, then selling down a portion of the AE’s hold to the GCF after the GCF’s approval process is completed: Under this construct, CA CIB would be essentially fronting for the GCF until the GCF obtains its Board approval. If the Board rejected the funding proposal, CA CIB would have to continue to hold its full position. This would mostly be limited to current situation where GCF intervention is pari-passu with CA CIB, and where we have identified back-up investors to GCF. <p>More generally, the Funding Proposal Submission & Review process starts by a check for completeness by the Secretariat. Waiting until all documents are provided before running the Analysis by the Secretariat and the TAP creates a very administrative and lengthy process.</p> <p>Internally at CA CIB, we have the possibility to submit credit files to our Risk Dept even when the reception of some reports and analysis is still pending. This is not sufficient to formulate a final Risk opinion, but enough to provide an opinion based on the available information provided no issue is identified in the missing documents.</p> <p>One way to ease GCF process could be to define, within the Funding Proposal template, a set of information/documents which is effectively mandatory to start the Analysis, and a set of information/documents which can be provided later on as the project analysis develops. The check for completeness would not run on the full package but only on the set of minimum information/documents allowing to start the review and analysis by the Secretariat and the TAP.</p>
c.	Defining further decision-making options, including deferral of proposal approvals	<p>Introducing a fourth option for Board decision with a “deferral” decision</p> <p>We believe it is the role of the Secretariat and the TAP to ensure that funding proposals submitted to the Board are sufficiently detailed so that the Board can take a decision. In the past, for accreditation or funding</p>



		<p>proposals, the Board always succeeded in following the recommendations of the Accreditation Panel or the Secretariat, sometimes in defining new conditions.</p> <p>A “deferral” decision would be helpful in the case where the Board would not be able to define the conditions for a “validation under conditions” decision, in addition to the ones formulated by the TAP/Secretariat and agreed in advance with the AE.</p> <p>On the other hand, the risk is that this option becomes an easy way for the Board to always delay decisions that could have been validated under conditions.</p>
d.	<p>Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary</p>	<p>Ahead of the Concept Note</p> <p>It is important for us that investment ideas can be shared with the GCF (Secretariat/PSF and/or TAP for some issues in the case of CA CIB?), for a first level opinion on GCF’s interest, as informally and reactively as possible. To that extent, business opportunity memorandum under free format should be allowed in an informal process distinct from the Concept Notes. These preliminary discussions would validate the GCF’s a priori interest, and guidelines for the financial conditions of a potential intervention.</p> <p>It would also be of interest to organize pipeline reviews between CA CIB and GCF 2 or 3 times a year.</p> <p>Concept Note</p> <p>We understand the need for GCF at some stage to have a standardized document to be used by all AEs.</p> <p>All elements listed in the Concept Note template might not be available at early stage, and once they are it might be preferred to skip the Concept Note stage to directly move on to the Funding Proposal stage.</p> <p>We believe it is important that GCF accepts the review of incomplete Concept Notes.</p>
e.	<p>Supporting the Board to make decisions regarding funding proposals</p>	
f.	<p>Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding</p>	



g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	<p>Steps post-Board approval, and GCF commitment</p> <p>The description of “Stage 6: legal arrangements for approved proposals” (GCF/B.12/Inf.05) seems tailored for on-lending activities which are likely not to be contemplated by CA CIB. The preferred financial scheme for CA CIB is a direct financial legal arrangement between GCF and the beneficiary (e.g. loan agreement with the project SPV).</p> <p>Also, our understanding of articles 26 and 65, if correct, would lead to a liquidity risk arising from GCF to be supported by the project and the different lenders / investors. This would necessitate a mitigation plan aiming at identifying back-up investors to GCF which could in the end be preferred as deemed more reliable:</p> <ul style="list-style-type: none"> - Art. 26 “the Interim Trustee provides a letter of commitment to the AE after the signing of the FAA, <u>subject to the availability of funding</u>”. If this means the availability of GCF funds is a condition for disbursement even once legal documents have been signed, we would at least request GCF to provide a LC to clear liquidity risk for the project and the lenders - Art. 65 “the IRM is intended to be a mechanism to address the reconsideration of funding decisions”. Once approved and contractually signed, GCF not fulfilling its funding engagement as a result of an IRM decision would again constitute a risk for the project and the other lenders <p>Questions on GCF intervention capabilities</p> <ol style="list-style-type: none"> 1. In the context of a bond financing, can GCF act as an investor even if CA CIB is not an investor but the letter of credit provider for the various reserve accounts? Such letter of credit facility would rank pari-passu with the bonds. 2. Can GCF participate in letter of credit facilities?



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IX. Submission from Mr. Koichi Aiboshi, Board member from Japan

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	With regard to the Project Preparation Facility (PPF), some international access entities (particularly UN organisations) have difficulties with securing financial resources for project preparation. Therefore, international access entities should also be granted access to PPF. It will help scaling up the pipeline.
b.	Streamlining and improving the transparency of the proposal approval process	<p>“Fit-for-purpose approach” should be applied to the proposal approval process. It is strongly recommended to develop a funding proposal template with reduced information requirements for micro- and small-scale projects. Besides, for low-risk and micro-scale projects, submission of feasibility study may be exempted.</p> <p>To improve the process, AEs should be given opportunities to respond to questions and comments raised by the Board.</p>
c.	Defining further decision-making options, including deferral of proposal approvals	Introduction of the deferral option with a limit on the number of times of resubmission seems necessary and reasonable.
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	
e.	Supporting the Board to make decisions regarding funding proposals	
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	Calculation of incremental costs is technically and operationally difficult to introduce. Simpler approach should be sought.



g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	

X. Submission from HSBC

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	The PPF and readiness activity area four mechanisms should aid NDAs and AEs to access GCF resources for pipeline development but the requirement for PPF funds to be approved by the Board means that access to these funds for (say) consultancy reports can only be approved every 3 months which will delay the submission of projects and hence slow their inclusion in the GCF pipeline
b.	Streamlining and improving the transparency of the proposal approval process	We note that the GCF's information disclosure policy is currently under development. The inclusion of the TAP's assessment of a funding proposal/project being published on the GCF website is welcomed but where a project is under tender the TAP assessment should not publicly reveal any information which is price sensitive or commercially sensitive or which would breach the terms of the project's tender/bid rules and confidentiality agreements
c.	Defining further decision-making options, including deferral of proposal approvals	An option which permits AEs to resubmit funding proposals to the Board with required revisions or clarifications would be positive
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	Involving the TAP at an early stage to review concept notes would be positive as would facilitating contact between the TAP and AEs but this would imply an increased workload and the requirement for extra resources for the TAP
e.	Supporting the Board to make decisions regarding funding proposals	The inclusion of the original concept notes to provide extra "colour" might be of benefit to the Board when making decisions
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	The development of indicative minimum benchmarks on eligibility criteria would be useful but should be discussed with Direct Access entities and AEs to ensure practicality.



g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	A suggestion might be the appointment of a Board Member to assume this role as an interim measure
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	The GCF is a learning organization. As referred to in GCF/B.10/Info.08 Section 2.3 it is important that the Secretariat continue to interact with AE's to obtain their continual feedback

XI. Submission from Agence Française de Développement (AFD)

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	Modalities of association of AEs to country programming to be detailed
b.	Streamlining and improving the transparency of the proposal approval process	
c.	Defining further decision-making options, including deferral of proposal approvals	
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	<ul style="list-style-type: none"> • During the eleventh meeting of the Board, both the independent technical panel (ITAP) and the Secretariat provided an assessment based on the six investment criteria. A suggestion in order to facilitate the process could be to have only one project assessment, presented to the Board by ITAP. Under this acceptance, the role of the Secretariat would focus on the checking of completeness of the funding proposal and the respect of the board's policies. An alternative could be that ITAP provide an assessment restricted to the three main investment criteria, i.e. Climate impact, Transformative effect, and Value added of the fund's financial participation. The Secretariat would on its side provide an assessment on the other mainstream development investment criteria: environmental and social risk, gender policies, sustainability, and ownership. • Another suggestion would be to allow discussion and exchanges before the board meeting between the Secretariat, ITAP and the Accredited Entity presenting the project , and let the accredited entities know about the ITAP and the Secretariat's positions in order to prepare and send its explanations and views. It could seem also important that the Accredited Entity have the opportunity to discuss about the potential conditions for disbursement and recommendations before the board meeting. • To-date neither the Accredited Entity, nor the beneficiary country, have the possibility to present the funding proposal or answer the questions of the Board. As it happens in other multilateral funds, it would seem very useful that an Accredited Entity proposing the project to the GCF have the ability to directly present it and defend its contents. We would



		<p>suggest that Accredited Entities be able to (i) present the Funding proposal during the Board meeting and (ii) be allowed to respond to questions.</p> <ul style="list-style-type: none"> In our view, this change should also be extended to include the final beneficiary of the project. It is of particular interest as one of the six criteria for the project assessment is country ownership. Thus, it seems paradoxical that the recipient of the project is not able to contribute during its presentation to the Board. This probably implies to modify the conflict of interest policy, with a view to recognize the value of the expression to the Board of recipient countries' views on the projects they benefit from. At the 11th meeting, the Board made two proposals that we totally support: (i) simplification of the funding proposal and concept note templates in consultation with the ITAP, National Designated Authority and Accredited Entities and (ii) the simplified processes for approval of proposals for small-scale activities. Both proposals contribute to the improvement of the GCF efficiency.
e.	Supporting the Board to make decisions regarding funding proposals	
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	<p>There is a recognized need for guidance on adaptation. Yet, one must also recognize that adaptation tracking and characterization have remained under discussion between IFIs for quite some time. In this context, a practical way to improve guidance in the short term would avoid the elaboration of a strict adaptation framework –which would inevitably be subject to debates-, and concentrate efforts on preparing a typology of adaptation projects the Green Climate would like to prioritize. The “adaptation policy” would materialize faster and in a more practical way if it takes the form of a guide for investors.</p> <p>It is also reckoned there is a need to better define the six investment criteria and prioritize them.</p> <ul style="list-style-type: none"> The Governing Instrument clearly states that the projects the GCF will finance have to focus their impact on fighting climate change: “The Fund will contribute to the achievement of the ultimate objective of the UNFCCC. In the context of sustainable development, the Fund will promote shift towards low-emission and climate resilient development pathways by providing support to developing countries to limit or reduce greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change.” However, the project evaluation does not, to-date, seem to weight differently the six investment criteria. In order to avoid the financing by the Green Climate Fund of “business as usual” development projects, it seems crucial to put emphasis on Climate impact, transformative effect, so as to ensure the added value of the financial participation of the Fund to the project. Thus, the first and fourth criteria, “Impact potential” and “Paradigm shift potential” should be prioritized compared to other indicators. The entities entitled to present projects to the Board have been assessed against several standards, in



		<p>particular environmental, social and gender policies. Thus, it should be considered that to a large extent the accreditation ensures the inclusion of sustainable development concerns in the projects supported by the Accredited entities. Moreover, as per the decision GCF/B11/10, the accredited entities are assessed each year against their environmental, social and gender policies. This would appear sufficient in order to ensure that the assessment of these dimensions is already carried out by the accredited entities for each project and justify a focus on the above-mentioned criteria.</p> <ul style="list-style-type: none"> • During the Board’s session, the Secretariat and the ITAP made their assessment by rating each investment criteria: “high”, “medium”, “low”. In order to render more precise the assessment and make it more transparent, it seems crucial to clarify the definition of each grade. For instance, the “paradigm” criterion, that is defined in the document GCF/B09/23, as “the degree to which the proposed activity can catalyze impact beyond a one-off project or programme investment”, seemed during the eleventh Board to be considered in light of an “innovative” dimension. In order to maximize the impact of its funding, it would seem very important that the Green Climate Fund seek through this criterion to ensure a middle and long term effect on country policies, strategies or to initiate a virtuous cycle on a given economic sector. Likewise, “the efficiency and effectiveness” criterion could be more concentrated on the financial adequacy and appropriateness of concessionality aspects in order to highlight the added value of the GCF.
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	

XII. Submission from European Investment Bank (EIB)

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	
b.	Streamlining and improving the transparency of the proposal approval process	It would be helpful if the GCF Secretariat could make evaluation criteria and the evaluation process more transparent in order to support the pre-selection and quality control of proposals on behalf of the submitting institutions.
c.	Defining further decision-making options, including deferral of proposal approvals	
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	
e.	Supporting the Board to make decisions regarding funding proposals	
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	



g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	The transparency and accessibility on GCF policies / information available on the website could be further improved, by making it easier to access in only one place all the procedures that apply (setting up a comprehensive procedures manual) instead of having to go through all the documents approved/not approved or even sections of documents that were approved or not.

XIII. Submission from Profonanpe

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<p>Receiving proposals on an ongoing basis difficult the work with NIEs, as various actors interested on applying to the GCF, are constantly approaching the NIEs with proposals that are developed up to different stages. By allowing the reception of proposals only at established dates, would allow NIEs and NDAs/focal points to make a selection from a range of proposals according to the country's priority in a given moment. This does not mean that there would be a limited number of proposals or resources approved at each call, but on the contrary, all the proposals that are of the country's interest, would be further developed.</p> <p>The PPF will be very useful for AEs. Nonetheless, if they will be approved by the Board, it will mean that the process will take even longer. It would be more efficient and practical to delegate the PPF approval to the GCF Secretariat. The process and criteria to select which proposals will receive those funds for Project design need to be further developed.</p>
b.	Streamlining and improving the transparency of the proposal approval process	<p>We would appreciate if further explanation could be given regarding the information given in of B.12/Inf.05 paragraph 40.</p> <p>Additionally, we agree with having the TAP's assessment included as part of the documentation published on the GCF website for funding proposals.</p>
c.	Defining further decision-making options, including deferral of proposal approvals	We agree with having a fourth option decision but considering a limit on the number of times a proposal can be re-submitted.
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	The TAP should maintain its independence. AEs should only engage with the Secretariat as a way to make sure solid proposals are submitted and so resources are not wasted. We do not believe that TAP should be involved in tasks mentioned in (d) in order to avoid any role duplication with the Secretariat.
e.	Supporting the Board to make decisions regarding funding proposals	We agree with assigning a high/medium/low scale for each proposal, but the criteria to give those grades must be clearly defined and communicated to the AEs. AEs should also receive these inputs to select proposals in earlier stages.
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	The degree of risk depends on the accreditation category. Adding more eligibility criteria will make that Project selection becomes more expensive, heavy, slow and bureaucratic.



g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	We agree with the procedure, as it goes according to what is also requested to the AEs.
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	

XIV. Submission from NDA/Focal Point of Bangladesh

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<ul style="list-style-type: none"> - The sequence of a GCF healthy pipeline should be: Project Idea>Pre-feasibility Study>Project Concept > Full Feasibility Study>Full Project Proposal <p>Submitting a Concept Note has to be mandatory, not voluntary. The Concept Note should be reviewed by TAP and only cleared project concepts should be invited to submit full proposals. An accompanying pre-feasibility study report should be mandatory for submitting the concept note. Having a set format for the pre-feasibility study report would be helpful for AEs and NDAs. GCF should indicate in its decisions whether the project requires a full feasibility study or if the pre-feasibility study is good enough.</p> <ul style="list-style-type: none"> - GCF should provide grants (PPF) to IEs for developing full proposals, which would include a full feasibility study, social and environmental safeguards, gender analysis, economic and financial models and a country assessment report on the baseline scenario of the problem(s). - GCF should help all NDAs in developing and lower middle income countries to develop a country programme pipeline through readiness support. The first step should be to support NDAs to compile current country priority investments and programme portfolio for GCF. GCF should then invest in developing and lower middle income countries to develop long term programme pipelines with the leadership of NDA. - The GCF should have a mandate to accept risks which a common investor would not be able to take, in order to make innovative approaches possible and add additional value. This should include private sector investments. The GCF should be able to lead in new and innovative projects and not only co-finance existing concepts.
b.	Streamlining and improving the transparency of the proposal approval process	<p>Transparency of the proposal approval process could be enhanced and ensured through appropriate disclosure mechanism and adequate use of ICT based technology. Reviewers comment and feedback should also be disclosed through online for ensuring transparency. In details, every step of the project approval process should be accessible to concerned stakeholders from any corner of the world. A web platform to track this will be helpful.</p> <ul style="list-style-type: none"> - Once a concept note is submitted, the review result of the concept note should be uploaded. - Once the project proposals are submitted, a summary version of the project should be uploaded to the website, so people can read and give comments. - The Secretariat's comments on the project during first and second level due diligence assessment report also need to be uploaded in the website.

		<ul style="list-style-type: none"> - The comments of the ITAP should also be uploaded in the website link to the project. - The decisions and conditions (if conditionally approved) of the Board also needs to be uploaded in the website link to the project.
c.	Defining further decision-making options, including deferral of proposal approvals	<ul style="list-style-type: none"> - Decision making process should be enhanced through meaningful and wider consultation with countries (engaged parties). There should be strong and adequate justification on all the accepted, partially accepted (that needs further revision) and rejected proposal. All these justifications should be disclosed online so that all involved parties know their updated status and position. There should also be transparent grievance redress mechanism so that none of the grievance regarding proposal is unattended. There should also be adequate justification due to delay in decision making process which may affect country's planned development process. Country specific priority, demand and capacity should be taken into consideration during proposal approval process. All countries should not get same treatment since capacity, vulnerability and readiness vary from country to country. - Provide guidance on the type of project/programs concepts /proposals which may not be considered for GCF financing. - Provide clear guideline on the timeline and process of reconsideration of the proposal after deferral. - Provide explanation on 'independent redress mechanism'.
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	<p>Concept Notes are currently a voluntary step and no clear requirements are defined. If concept notes shall be further formalized, it should lead to a two stage process as described above.</p> <ul style="list-style-type: none"> - A Concept Note Developed in Consultation with EEs, NDA and other stakeholders >NDA submits to GCF for Review>Review of the Concept Note by TAP>AE finalizes the Concept Note incorporating the TAP Review comments> NDA clears and AEs submit to GCF>Endorsement of the Concept Note by GCF>AEs Request through NDA for PPF for the full proposal development > Approval by the board for PPF to develop full proposal from concept note. - Cycle: Submission of Feasibility Study to NDA> Stakeholder Workshop on Feasibility Study> NDA clears to AE to write full proposal> AE submits to NDA> NDA calls for stakeholder workshop> Feedback on Full design of the Proposal including Feasibility Study, Costing and Timeline is incorporated in Final Version> NDA provides NOC> AE submits to GCF> TAP reviews the project and send the findings to AE and NDA> AE addresses the comments and re-submit or clarify the comments> ITAP clears the project and send to Board> Board takes decision about the project> Successful projects contracts are signed between GCF and AE informing NDA a copy of the signing agreement.
e.	Supporting the Board to make decisions regarding funding proposals	<ul style="list-style-type: none"> - As the board relies on the TAP and Secretariat assessment, there should be a provision for AEs' response to those two assessments to be included in the package which is placed before the board for their approval or rejection of the project. - The NDA's response to the assessment of secretariat and technical experts also needs to be included in the package. The NDA should also play a key role in commenting on GCF secretariat's and TAP's comments from the country's perspective. The submitted proposal to GCF is a country proposal whether routed through MIE or NIE, and therefore it is important that the comments of NDA on GCF's review are included in the decision-making process of the Board..



f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	<ul style="list-style-type: none"> - Project eligibility criteria should not be same for all countries and should not be solely based on capabilities and ownership. Vulnerability contexts and priority should be emphasized and included in project/programming eligibility criteria. - Incremental costs should be critically assessed for adaptation project and there should be standard guideline for assessing incremental costs of development project should be considered for grant or highly concessional loan. - Provide clear guideline guidelines on eligibility criteria for seeking GCF financing/co-financing. - Provide eligibility criteria for seeking proposal development funds. - Ceiling for proposal development funds. - Guidelines on the timeline between securing the funding (for proposal development) and submission of proposal.
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	<ul style="list-style-type: none"> - As the GCF has already approved projects and implementation will soon start, we suggest to develop a full scale Grievance Redress Mechanism within GCF to tackle grievances related to GCF decisions (specifically for the Secretariat). - This team should be independent of the secretariat and will report directly to the Board. If possible, the head and members should be selected through a rigorous screening. The team should comprise a panel of internationally reputed adaptation experts, mitigation experts, environmental safeguard experts, social safeguard experts, development economists, gender experts, ethnic minority experts, social justice experts, and others - who are not involved in any GCF processes. The head should be a full time staff along with a few supporting hands, and receive case by case in-depth review from the selected relevant members of the panel of experts.
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	Provide further clarification on project eligibility criteria, calculation of incremental costs, and risk investment criteria of B.11/11 paragraph (c).
	Any other general comments/inputs	

XV. Submission from the Center for Clean Air Policy (CCAP)

Introduction

CCAP welcomes the decision taken by the Green Climate Fund (GCF) Board at the 12th meeting in Songdo to approve the Strategic Plan, which points to the Paris Agreement as the main reference point for Fund programming, and emphasizes the role of the GCF in supporting countries to achieve their Intended Nationally Determined Contribution (INDC) goals. With the Board request to the Secretariat to further consider the role the Fund will play in implementing the Paris Agreement and related decisions, CCAP is answering this submission in light of our broader views on that question.

The GCF should be the “keystone” climate finance institution to support achieving the Purpose of the Paris Agreement and the three key elements enumerated, namely reducing emissions, building climate resilience, and transforming financial flows. As such, the GCF should consider its funding and funding modalities based on not only their direct impacts on reducing emissions and/or building climate resilience, but also their catalytic impacts on the broader financial architecture and financial flows.

The GCF’s approach to the project cycle will be therefore be critical in order to build and efficiently support a strong pipeline of projects and programs that achieve these impacts. Through policy dialogues and focused discussions with a range of national and international decision-makers, CCAP has found a consistent view that developing countries not only need financing for their key transformational programs and projects, but they also need support to convert their INDCs into these ambitious actions and financeable investments. Our recent policy paper⁸ highlights the steps countries are likely to take in this process, and provides key considerations for how the GCF and other sources of climate finance can help countries take this work forward.

Recommendations

Building on this work and CCAP’s ongoing engagement GCF stakeholders, we see three broad approaches that should be considered:

1. Enhance readiness and project preparation support to improve the quality of projects entering the project cycle;
2. Introduce an optional two-stage approval process to ensure proponents get useful feedback and project development support on their ideas should they wish it before formally submitting a final proposal; and
3. Streamline information required for decision-making within a more transparent overall process.

1. Enhance readiness and project preparation support

An efficient project cycle will include robust support at early stages to ensure a sufficient volume and quality of projects coming to the GCF for consideration. Not only does this pipeline of projects need to be in line with the timely delivery of the initial \$10 billion committed to the Fund, but also should help set up the identification and disbursement of a significant amount of resources for the GCF’s first replenishment. To support the goals of the Paris Agreement and the “paradigm-shift” objectives of the Fund, the GCF will need to be in a position to deliver

⁸ [NEXT STEPS FOR CONVERTING INTENDED NATIONALLY DETERMINED CONTRIBUTIONS INTO ACTION](#) AVAILABLE AT

<http://tinyurl.com/zytp569>

a scaled up resources on an annual basis up to and well beyond 2020, ideally to programs that are well anchored in their respective INDCs.

In this context, enhancing the conversion of INDCs into strong proposals anchored in a broader country strategy will be critical, not only for the successful implementation of the first round of INDCs, but also to put in place the national capacity and policy frameworks necessary to raise ambition and enhance climate resilience over time.

The GCF should therefore make enhancing readiness and project preparation support for INDC conversion a core focus of Fund programming. Key considerations include:

Scale-up resources for readiness and project preparation support

With the goal of spending \$10 billion by the end of 2017 and securing a subsequent replenishment, a significant investment in readiness activities is justified to ensure a sufficient demand for transformational funding without sacrificing project quality. By making this upfront investment, the GCF will encourage greater engagement with the Fund by recipient countries and, in the process, build national capacity across key ministries, including finance, planning and sectoral ministries. Consideration should be given to devoting a meaningful portion of the initial \$10 billion for this purpose to ensure enough funding is available for all countries that need it (at least \$500 million for the readiness program and the project preparation facility together would seem appropriate). If this support delivers a higher quality pipeline and strengthened national capacity by the time the Paris Agreement is applicable in 2020, this small portion of the total would be money well spent.

Readiness and preparatory support should respond to country needs

Countries will require different types of support as they carry out the INDC conversion process. While some countries may be ready to develop specific programs in support of their INDCs, others may need broader support to develop or advance national climate plans, put in place policy frameworks, and identify and assess policy actions and measures.

The GCF should take a comprehensive approach to readiness and preparatory support that is responsive to this wide range of country needs. To this end, the existing GCF readiness program should support more “upstream” activities, including the development of national strategies, policy frameworks, and programmatic approaches, as well as the preparation of concept notes that can be presented to the project preparation facility. The project preparation facility can complement the readiness program by providing support for the development of full funding proposals.

Support for the preparation of comprehensive INDC investment strategies

Support from the GCF should give all countries the opportunity to prepare comprehensive INDC investment strategies or national climate finance strategies that consider the strategic use and mobilization of all sources of funding. Beyond the GCF’s current support for country programs, which identify potential funding opportunities for the Fund, a broader strategy can help attract support from a wide range of public and private sources, and identify how international support can be used to best effect, including the catalytic programs best suited for funding by the GCF that can leverage the rest of the strategy. This can strengthen the Fund’s own portfolio, as well as strengthen the pipeline of projects and programs under development and being submitted for funding to other climate finance institutions and funders. Indicating priority needs to all sources could also significantly strengthen country ownership across the wider climate finance architecture, and could serve as useful signal to private sector investors looking for clarity on government policy, tendering and spending priorities.

Using country strategies to drive GCF programming

To promote ambitious, country-driven programming, the Board should be advised by the Secretariat on how projects and programs being considered for funding align with country strategies and contribute to

transformational outcomes consistent with countries' INDCs and longer-term climate goals – this advice could be informed by INDC investment strategies or national climate finance strategies when they are available.

The newly-adopted Strategic Plan calls on accredited entities to submit periodic work programs. While these work programs may offer useful information on the pipeline of the entity in question, they should be considered by the Fund in terms of how well they are anchored in a country's overall strategy to achieve its INDC goals. National strategies should be used as a basis for planning by the Fund, as well as inform the activities of accredited entities.

2. Introduce a two-stage approval process

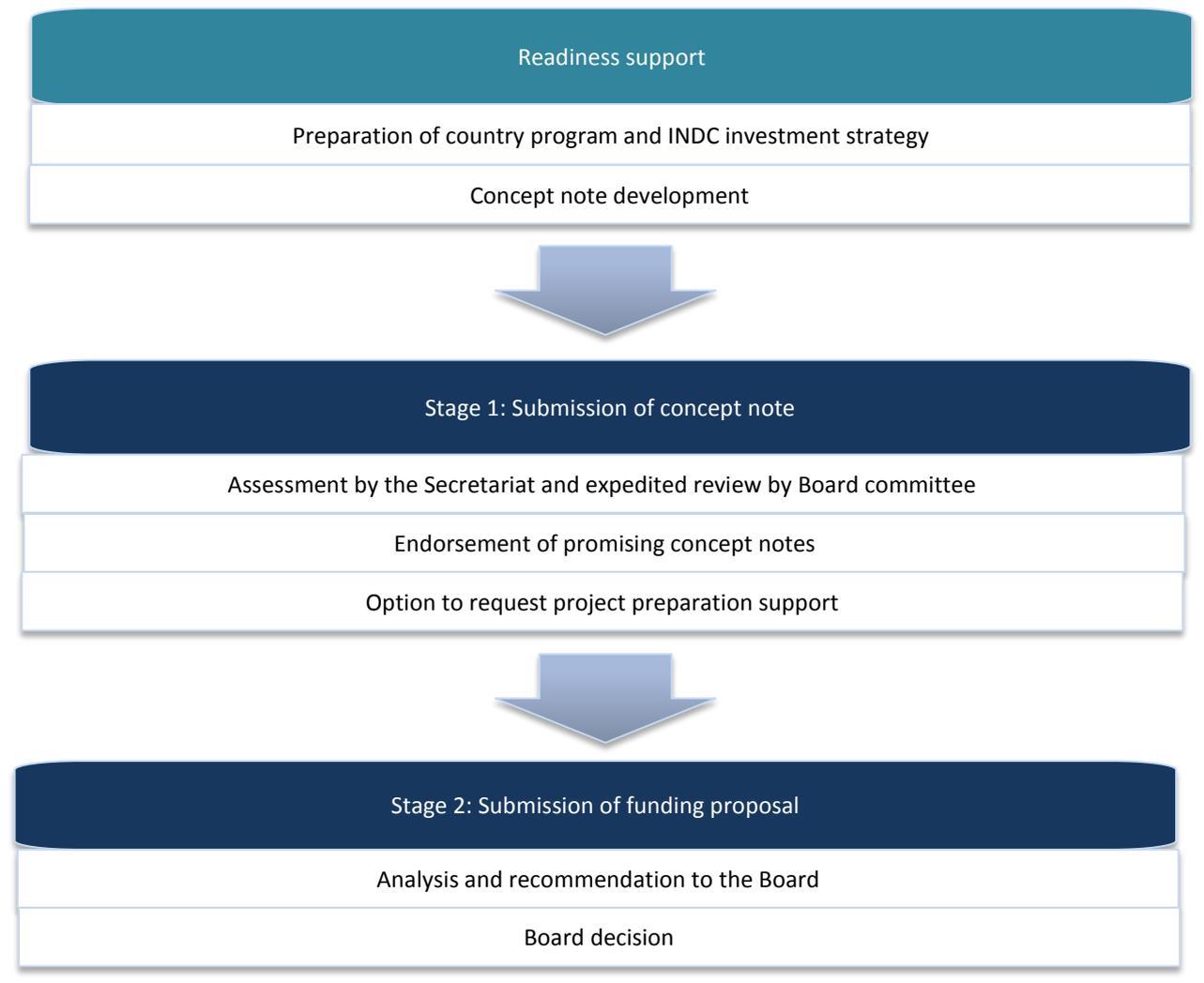
Even with national strategies in place, many countries may be hesitant to engage in significant development of specific projects and programs before funding is identified. A two-stage approval process, in which promising concept notes would receive preparatory support, could help solve this problem. The two-stage process should aim to give proponents an option for feedback, guidance and support before significant resources are invested in the development of a fully-fleshed out idea. By providing the opportunity for support early in the proposal development process, this approach can help create strong stakeholder and ministry engagement and should incentivize the development of innovative ideas and new approaches that advance transformational change.

In the first stage of a two-stage approval process, concept notes would be reviewed against the GCF investment framework and selection criteria, and promising concepts would be endorsed and deemed eligible to seek preparatory support from the project preparation facility. Alternatively, project concepts approved in the first stage could receive a defined amount of project preparation support without further application. In addition to financial support, the Board should consider how to broaden support for project preparation, including the provision of advisory services and other technical assistance through Fund partners.

The full proposal would be considered for approval in the second stage with the understanding that first stage approval is without prejudice to the Board's final decision on the full proposal. Compared to the first stage where promising ideas that are likely to be in line with the criteria should receive support, the second phase should apply the selection criteria in a more rigorous manner, commensurate with the greater risk the GCF is taking by committing larger scale funding for implementation.

It is important to note that the two-stage process should in no way be obligatory – proponents should be free to submit proposals they deem are ready for full consideration by the Board at any time. Also, a two-step process would not preclude other targeted support through the project preparation facility before the development of a full concept note (e.g., funding for a specific feasibility study).

Figure 1: Two-Stage Approval Process



Considerations for an effective two-stage process

To accelerate the approval process, the Board should simplify the concept note for submission in the first stage, as well as streamline and expedite the review process. To this end, the Board should consider delegating decision-making responsibility to a Board committee and allowing for decisions to be made between meetings, informed by an initial assessment by the Secretariat. Given their existing obligations to review funding proposals, the Board might consider limiting the role of the Technical Advisory Panel (TAP) in providing feedback for concept notes to certain types of proposals (e.g., high-risk and/or large-scale projects).

Countries should have the flexibility to submit concept notes and seek project preparation support through their NDA, or partner with the accredited entity or support provider that best suits their needs. The Board should also consider extending project preparation support for the development of concepts that would lead to medium (\$50 - \$250 million) and larger-scale activities (> \$250 million) in order to catalyze transformational action at the scale needed to meet INDC goals.

At the same time, in order to maintain a favorable bias towards the development of national capacity, direct access institutions and other in-country partners should enjoy a simplified access channel with dedicated resources under defined criteria (for example, smaller scale projects, projects in LDCs and SIDs, etc.).

Requests for support from international entities should demonstrate clear participation from NDAs and domestic partners in the preparatory process, and consideration should be given to whether such entities might be asked to demonstrate a strong potential for replication of innovative approaches. For example, project preparation support for international entities could be reserved for the development of pilots that will inform regional programs or replicable sector approaches.

Streamlining and increasing transparency

More than just a practical concern, CCAP views the issues of streamlining and increasing transparency of the proposal approval process as strategic. They are relevant to the GCF's ability to deliver transformational funding at scale.

Key considerations include:

Simplify funding application templates

To expedite access to support, the concept note template and the full funding proposal templates should be simplified and the Secretariat, in consultation with the TAP, should provide additional clarity on their requirements. For readiness, the requirements for submitting a proposal for pipeline development (readiness activity area 4) currently require NDAs or their delivery partners to provide the same analytical and design elements as a concept note. This should be simplified to allow countries to more easily access support for early stage project development.

Increase the transparency of assessments by the Secretariat and the TAP

The Board has put in place investment criteria and assessment methodologies that signal to countries what the Fund is looking for and help provide predictability in how proposals will be reviewed. However, greater clarity is needed on how the Secretariat and TAP apply criteria and assessment scales in different country contexts and sectors. Developing guidance on the application of these assessment methodologies can enhance the credibility of funding decisions, and encourage the development of proposals that are well-aligned with the GCF's investment priorities. Similar guidance should be developed for minimum benchmarks, which the Board will consider at the 14th Board meeting in June 2016.

Promote efficient and well-informed decision-making by the Board

The Secretariat and the TAP should provide their evaluations of proposals well in advance of Board meetings to allow for adequate consideration by Board members, civil society, and other stakeholders. The Secretariat should establish a formal process for these actors to submit comments and inputs on proposals ahead of Board meetings.

In the case where proposals are incomplete or require further due diligence in order to be properly evaluated, the Board should have the authority to defer approval. In these cases, the Board should explicitly specify the elements to be addressed before re-submission.

Fostering discussion on funding requests (incremental costs, project eligibility criteria, terms and conditions of loans)

In addition to how the investment criteria are applied, lack of clarity remains on how the Board and TAP will assess the amount and terms of financing requested, the role of domestic resources versus international funds to support planned actions, and whether and how incremental costs requirements or project eligibility criteria should be applied.

A common understanding of what information should be put forward to justify funding requests, and of approaches to assessing proposals (based on the existing investment framework), can provide greater confidence to developing countries in preparing competitive proposals. This can, in turn, help the GCF strengthen the pipeline of proposals put forward and improve perceptions of fairness.

While CCAP offers no operational recommendations at present, we invite the Board to consider how to facilitate this common understanding through outreach and engagement and improved transparency by the Secretariat and TAP in their assessments.

Appendix: Inputs on the review of the initial proposal approval process

Elements for review	Comments/inputs
<p>a. Strengthening and scaling up the GCF pipeline, including the country programme pipeline</p>	<p>Enhance readiness and preparatory support: To build a strong pipeline of country-driven projects and programs, the GCF should make readiness and preparatory support a core focus of GCF programming. This support should focus on helping countries to convert their INDC goals into policies, measures, and financeable investment strategies, with a view to advance the goals of the Paris Agreement, disburse \$10 billion to transformation programs by the end of 2017, and achieve a successful first replenishment. Key considerations include:</p> <ul style="list-style-type: none"> • <u>Scale-up resources for readiness and project preparation support.</u> CCAP views an allocation of at least \$500 million to the readiness program and project preparation facility as a strategic investment to build country pipelines and national capacity to ensure significant volumes of transformational financing can flow at scale without sacrificing project quality. • <u>Ensure readiness and preparatory support responds to country needs</u> as they carry out the INDC conversion process. The existing GCF readiness program should support “upstream” activities, including the development of national strategies, policy frameworks, and programmatic approaches, as well as the preparation of concept notes that can be presented to the project preparation facility. The project preparation facility would then complement the readiness program by providing support for the development of full funding proposals. • Provide all countries the opportunity to prepare <u>INDC investment strategies</u> or national climate finance strategies that consider the strategic use and mobilization of all sources of public and private funding in the country context.

		<p><u>Use country strategies as a basis for Fund programming.</u> Country strategies, including INDC investment strategies when available, should be used to inform the Board on how projects and programs under consideration advance countries' INDCs. These strategies should be used as a basis for planning by the Fund, as well as inform the activities of accredited entities.</p>
b.	<p>Streamlining and improving the transparency of the proposal approval process</p>	<p>The GCF should streamline the information required for decision-making, and improve the transparency of the Fund's approval processes as a matter of urgency, including through:</p> <ul style="list-style-type: none"> • <u>Simplifying funding application templates and providing guidance on their requirements</u>, including the concept note and full proposal template, as well as the proposal for readiness support for pipeline development (activity area 4). • <u>Increasing the transparency of assessments by the Secretariat and the TAP.</u> In particular, the GCF should provide greater clarity and guidance on how the investment criteria, scaling methodologies, and minimum benchmarks will be applied in different country contexts and sectors.
c.	<p>Defining further decision-making options, including deferral of proposal approvals</p>	<p>Deferrals: The Board should be have the authority to defer proposals which are incomplete or require further due diligence in order to be properly evaluated. In these cases, the Board should explicitly specify the elements to be addressed before re-submission.</p>
d.	<p>Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary</p>	<p>Two-stage approval process: The GCF should introduce an optional two-stage approval process to enable proponents get useful feedback and project development support on concept notes before formally submitting a final proposal, as follows:</p> <ul style="list-style-type: none"> • Stage 1: Concept notes would be reviewed against the investment framework. Promising concepts would be endorsed and either be deemed eligible to seek preparatory support from the project preparation facility. Alternatively, endorsed proposals could receive a defined amount of project preparation support without further application should it be requested. • Stage 2: The full proposal would be considered for approval in the second stage. The receipt of an endorsement in the first stage would be without prejudice to the Board's final decision on the full proposal. <p>Countries could also choose to submit proposals they deem are ready for full consideration by the Board at any time without going through the two-stage process. In addition, targeted project preparation facility support would also be available without requiring a full concept note (e.g. funding for a specific feasibility study).</p>

		<p>The two-stage process should ensure:</p> <ul style="list-style-type: none"> • <u>Streamlined and expedited access</u> through a simplified concept note, and an accelerated decision-making process by a Board committee. • <u>Flexibility</u> to allow countries to submit concept notes and seek project preparation support through their NDA, or partner with the accredited entity or support provider that best suits their needs, and for projects and programs of various sizes. • <u>Privileged access for direct access institutions and other in-country partners</u>, which could include a simplified access channel with dedicated resources under certain criteria (for example, smaller scale projects, projects in LDCs and SIDS, etc.) <p>Role of the TAP: Given their existing obligations to review funding proposals, the Board might consider limiting the role of the TAP in providing feedback for concept notes to certain types of proposals (e.g., high-risk and/or large-scale projects). To ensure the TAP remains objective in their assessments, it may also be advisable to limit more informal contact between the TAP and the accredited entities during the project cycle. At the same time, the Board should consider how to enhance the provision of technical assistance for the development of strong proposals; for example, by building a network of organizations that can provide advisory services and technical support to project proponents as needed.</p>
e.	Supporting the Board to make decisions regarding funding proposals	The Secretariat and the TAP should provide their evaluations of proposals well in advance of Board meetings to allow for adequate consideration by Board members, civil society, and other stakeholders. The Secretariat should establish a formal process for these actors to submit comments and inputs on proposals ahead of Board meetings.
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	Foster discussion on funding requests: The Board should promote ongoing engagement on key questions around funding requests, including whether and how incremental costs and eligibility criteria should be applied and the terms and conditions of financing, with a view to move toward a common understanding. An important part of this effort will be to ensure transparent assessments by the Secretariat and TAP.
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	



	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	

XVI. Submission from Asian Development Bank (ADB)

This document is in response to the invitation of the Green Climate Fund (GCF) Board to make submissions to the Secretariat on the initial proposal approval process of the Fund, as contained in decision B.12/22. The Asian Development Bank (ADB), an accredited entity and observer to the Green Climate Fund, appreciates the opportunity to share some of our views on how to strengthen the operationalization of GCF's proposal approval process, with a view to facilitate a scaling up of investments and streamlining of processes through which ADB interacts with the GCF. We take pride in having been among the first entities accredited to the GCF and in having gained important experience as one of the first to go through the initial proposal approval process, resulting in GCF Board approval for ADB's funding proposal at the Zambia Board meeting.

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<p>It is suggested that accredited entities and countries each develop revolving multi--year as well as annual business plans containing projects and programmes planned for submission to the fund. These business plans should be synchronized, and in aggregate they can represent an indicative investment pipeline of the GCF. Annual business plans should contain project or programme information at the level of concept notes, without requiring them to be investment--ready at this stage.</p> <p>Beyond giving some level of assurance to accredited entities and recipient countries, the business plan approach to programming and investing will also increase the quality of projects and programmes, as it allows the board to guide the secretariat to focus its attention on proposals with the highest prospects. Readiness support for countries can also be better targeted to the needs of the business plans. The aggregate pipeline furthermore allows the board to assess whether the fund as a whole moves in the right direction with regards to allocations between mitigation and adaptation, between countries, between direct access and international access entities, for private sector activities. Consequently it may be the basis for issuing calls for proposals to fill any apparent gaps in the pipeline.</p> <p>Business plans can enable accredited entities and countries to present programmatic, longer--term approaches to programming and investing the fund's resources, better synchronize their processing cycles with the GCF proposal approval process, and fully leverage their creativity and financing potential.</p>
b.	Streamlining and improving the transparency of the proposal approval process	<p><u>Streamlining</u></p> <p>Efficiency and effectiveness are the keys to streamlining the proposal approval process, scaling up investments and achieving impact. The fund needs to avoid doubling of work between the accredited entities, its own bodies, as well as national designated authorities and focal points. The GCF should therefore consistently apply the subsidiarity principle, relying on the most directly involved competent authority to carry out the necessary work.</p> <p>As outlined in document GCF/B.12/Inf.05, step 2 of stage 4 includes a review by the secretariat of the proposal's "consistency with the GCF interim environmental and social safeguards, gender policy and any other policies and guidelines of the GCF." Following the fit--for--purpose accreditation process, accredited entities are vetted in a rigorous exercise to ensure that their processes and standards enable them to comply with GCF safeguards and standards. Accredited entities are therefore the most directly involved competent authority for developing projects that conform to GCF standards. The checks that the GCF secretariat conducts regarding completeness and secondary due diligence</p>



		<p>can consequently be limited to assessing whether standards and processes have been applied and whether the information provided is appropriate and sufficient to allow appraisal according to the GCF investment framework.</p> <p>A proposed mitigation or adaptation activity may be part of a larger investment project or programme of the accredited entity and possibly further co--funders. It may also be an additional, valuable climate finance element of an already approved project or programme. In order to streamline the proposal process, completeness checks, secondary due diligence and performance assessment against activity--specific criteria of the fund, and no--objection should be limited to the climate change part of the project for which a funding application has been submitted.</p> <p><u>Transparency</u></p> <p>The transparency of the proposal approval process could be enhanced and ensured through a disclosure mechanism as a channel between accredited entities and GCF Secretariat, TAP and Board, implemented through the adequate use of ICT based systems. Reviewers' requests, comments and feedback should be disclosed to accredited entities and updated in real time in such an online system, allowing for tracking of open items and reply and completion.</p> <p>Given that project approvals are currently only given at three GCF board meetings per year, it is vital for accredited entities to know whether and when their projects will be considered by the GCF board. To enable accredited entities to comply with the requirements of their own project processing cycles, the status (i.e. which stage, which step, remaining open questions etc.) of project proposals to the GCF must at all times be obvious to accredited entities. This should include real time disclosure of assessment outcomes for all steps of the standardized review process at stage 4 as outlined in document GCF/B.12/Inf.05.</p>
c.	<p>Defining further decision-making options, including deferral of proposal approvals</p>	
d.	<p>Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary</p>	<p>Increasing the level of certainty at an earlier stage significantly reduces risk and associated cost of developing climate change projects and programmes for the GCF. Endorsement of accredited entity and country business plans, containing information at concept note level, (see a.) by the GCF board and related recommendations by the TAP would give accredited entities and recipient countries a better level of certainty that their plans fit the vision of the GCF, and that projects or programmes will be positively considered, especially if the board and TAP give additional guidance or conditions. Programmes in particular, which greatly reduce transaction costs and lead to transformational changes, can only be meaningfully developed in this way. Engagement of the private sector may also be greatly enhanced if the GCF can move towards becoming a provider of patient capital in this manner.</p>
e.	<p>Supporting the Board to make decisions regarding funding proposals</p>	<p>ADB is supportive of direct interaction between the GCF board and accredited entities prior to project approval to allow for clarification of any questions that board members may have regarding the project proposal. MDBs have gained positive experience with mechanisms for such interaction, for example at the Climate Investment Funds, where Trust Fund Committee members can submit</p>



		questions related to submitted project proposals, and MDBs provide clarifications within a predetermined timeframe prior to approval.
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	GCF board in decision B.11/11 acknowledges existing policy gaps in the GCF approval process, including project eligibility criteria, calculation of incremental costs, and risk investment criteria. In developing and proposing projects, accredited entities and countries have a dual need for clarity and flexibility in defining and applying policies in these areas. ADB would welcome further clarity, for instance regarding criteria for the consideration of incremental costs, possibly applied through the definition of non-exclusive categories of costs that are eligible for funding; but at the same time cautions against an approach that is overly rigorous, and that could lead, for example, to high technical burdens of proof, neglect of country circumstances and vulnerability as important factors for decision, and might run counter to the vision of the GCF as incentivizing paradigm-shifting projects. The GCF may want to consider the experiences of other international funding sources that have had to bridge this dual need for clarity and flexibility in the past.
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	

XVII. Submission from Schweizerischer Gewerbeverband (SGV)

Review of the Initial Proposal Approval Process

Dear Sir or Madam

The Swiss Federation of Small and Medium Enterprises is an observer to the GCF and the largest organization of the Swiss economy. Not only its members, around 300'000 individual enterprises, but also the organization as such are active in mitigation of and adaptation to climate change.

On behalf of the Federation and of its members, we would like to submit the following issues for the "Review of the Initial Proposal Approval Process":

Mitigation and Adaptation

According to the report on the project-pipeline (GCF/B.12/Inf.08/Rev.01), only 18% of projects and programs likely to advance are especially dedicated to mitigation of climate change. Of the other projects and programs, only 17% focus on mitigation of climate change. As we consider mitigation to be the most effective and efficient lever for preventing or deaccelerating climate change, we deplore the vestigial role it plays in projects and programs in the GCF pipeline.

In order to enhance mitigation-related projects and programs, we suggest considering a “fast-track-mitigation”. This “fast-track” would give mitigation-related projects and programs a priority consideration in comparison to other projects and programs. These mitigation-focused projects and programs should undergo a quicker assessment by the GCF and should benefit from a radically simplified proposal approval process. One possibility of simplification is introducing positive lists of projects and programs, positive lists of methodologies as well as positive lists of AEs. These positive lists would allow for projects and programs to undergo a process of one-step revision and presentation to the board.

Completeness of Proposals

If accelerating the pipeline is a desideratum for the GCF, it should be considered whether the amount of required documentation for projects or programs should be reduced. Also, the required documentation can be differentiated according to two priorities: the first are assessments directly relevant to climate and financial means (e.g. methodologies, budgets, feasibility studies) and the second are other analyses and supporting documentation.

If a project or program submits all relevant documents of first priority, it should be allowed to continue in the consideration process having the possibility of delayed submission of the remaining documents of the second priority.

These two proposals should impact positively on the GCF’s pipeline and more importantly enhance mitigation-related activities.

Sincerely,

Swiss Federation of Small and Medium Enterprises sgv

XVIII.Submission from Mott MacDonald

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<ol style="list-style-type: none"> 1. Publishing readiness applications, and the areas required for support. 2. The Fund should indicate when the readiness support has been requested (at what stage of the approval process), and consider how support can be mobilized more quickly.



b.	Streamlining and improving the transparency of the proposal approval process	<ol style="list-style-type: none"> 1. Publishing the pipeline online in timely manner. 2. Indicating the stages for approval, and where a particular project is
c.	Defining further decision-making options, including deferral of proposal approvals	<ol style="list-style-type: none"> 1. Intersessional approval between Board Meetings for smaller proposal/projects 2. Ensure that project approval do not slip off the agenda at Board Meetings (as happened at BM11).
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	<ol style="list-style-type: none"> 1. Standard concept note / feedback format to ensure a uniform approach. 2. Clearly defined feedback parameters including timeframes for feedback and method of feedback. 3. Main point of contact in TAP assigned for particular proposals (similar to a dedicated 'account manager') role.
e.	Supporting the Board to make decisions regarding funding proposals	<ol style="list-style-type: none"> 1. TAP are given decision-making authority under Guidance from the Board for smaller scale activities. 2. Intersessional meetings (either face-to-face or via VC) between BMs with subset of Board members. (This would necessitate smaller agendas at these meetings.)
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	



	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	

XIX. Submission from United Nations Development Programme (UNDP)

Elements for review		UNDP Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<p>Preparing a pipeline is complex and costly, and requires significant engagement from a range of stakeholders that can be challenging to arrange in the timeframe associated with the preparation of GCF documentation. The following suggestions are intended to help / strengthen the GCF pipeline:</p> <p>(a) Support the NDA to conduct an initial prioritization process for project ideas that could be considered transformative. This prioritization process should be repeated at regular intervals. How often this occurs depends on a number of aspects including, but not limited to, how fast project ideas that emerge from the pipeline are eventually approved by the GCF Board and, moreover, how quickly stakeholder engagement identifies potential new projects that may require rapid approvals. If project ideas that are presented to Board (after development) are approved quickly, then this prioritization process should be repeated more often. If the approval of projects from the pipeline that countries develop is slow (as it is currently) then it does not make much sense have a frequent prioritization process.</p> <p>(b) Make use of other ongoing initiatives – including the NDC process, NAPA updating (for LDCs), the National Adaptation Plan process (for both LDCs and non-LDCs), NAMAs, priority actions identified in the UNFCCC National Communication, the UNFCCC Technology Needs Assessment, etc. – to support the programme pipeline development process. This will ensure that there is alignment between ongoing country processes and GCF pipelining. It will also ensure that countries can draw on support from development partners for their pipeline development process.</p> <p>(c) It is currently confusing to have Activity 4 under Readiness and a separate discussion about Project Development Funds. These two process should be streamlined. “<i>Pipeline</i>” development should be defined clearly to mean the identification of <u>ideas</u> for potential GCF financing. “<i>Project</i>” development support should then be provided for those ideas that countries put forward to the GCF Board (in the form of concepts) so that they can be developed into full <u>project/programme</u> proposals that can be presented to the Board. The pace of this process can then be dictated by the pace of Board approvals.</p>
b.	Streamlining and improving the transparency of the proposal approval process	<ul style="list-style-type: none"> The current review process, which on first appearance seems to be structured with a few steps (i.e. submission of a concept (voluntary step), first level and 2nd level due diligence checks, GCF senior management approval, ITAP and then Board), lends itself to: (a) additional hidden steps (e.g. reviews from different parts of the GCF Secretariat that are not always coordinated), and (b) the potential, as we have experienced to-date, for an infinite high number of iterations at each step (until submission to ITAP). To streamline and improve transparency, the following is suggested:

Elements for review	UNDP Comments/inputs
	<p>(a) An aspirational cap on the number of rounds of review at each step, to limit transaction costs for all parties and to introduce more accurate expectations of processing times. A clear indication of the number of reviews possible at each stage of the review cycle (suggestion- max 2 per stage, 5-10 day turn-around times unless the review comments require significant time to address (which should be rare and an exception rather than the rule). Where significant issues are identified, these should be quickly provided to the submitter so as they can address these within a reasonable timeframe;</p> <p>(b) Adherence to the principle that once a review has been conducted, new issues cannot be raised in subsequent review stages. There should be documentation from the GCF to advise that a relevant stage has been complete. Transmitting suggestions for improvements from GCF Sec to AEs other than through a review sheet needs to be avoided. Once a review is completed, countries (with support from the AE) are provided with an opportunity to respond, the GCF Sec checks and confirms, and then the process moves forward.</p> <p>(c) The GCF Sec should focus its review on how the project adheres to the investment framework. More importantly, the review process should not lead to the GCF Secretariat performing a duplicative role to the AEs whereby the review also focuses on the micro level details of the project design. That is better suited to the AEs that are working on the ground within specific countries and are significantly more informed to provide clear advice and direction on project design, and to guide and support countries to develop projects that are operationally viable and technically robust, given the local context and circumstances. The point of AEs is to function as an extension of the GCF instrument and be the GCF's "eyes and ears" on the ground to understand what the country needs. This is why the process of accreditation is as rigorous as it is. So, once AEs are accredited, the GCF should ensure that the review process builds off the strength of the full network of the GCF instrument rather than for the Secretariat to try and provide suggestions and recommendations on micro level project design that, while beneficial, may not be fully informed of the actual needs and local context. GCF Secretariat's role should therefore focus on alignment of the project design with the investment framework and compliance with GCF Secretariat requirements (as outlined in the AMA and FAA).</p> <p>(d) The review process should be limited to questions relating to the specific project at hand, and not to the agency's accreditation status or operating modalities (since most such questions will already have been addressed during the AE's accreditation process). The AEs are in the best position to, for example, improve capacity within government agencies.</p> <p>(e) The review should focus firstly on 'big picture' issues, such as the project's eligibility, scope, how it is transformative and component structure. Lesser issues, such as the suitability of the project's</p>



Elements for review		UNDP Comments/inputs
		<p>technical studies, GHG calculations, whether the project should have single or multiple components, questions over theory of change, etc., should be avoided (as per comments above) but if critical, could be addressed in subsequent rounds as necessary. That said, the review done by the Secretariat should account for the fact that significant work has inevitably already been undertaken to develop concept notes and proposals that include this background. The current review process, whereby a completeness check is followed by detailed rounds of comments and THEN a more strategic review, can lead to the unfortunate outcome of an AE and a Government investing significant time/effort in addressing detailed issues that are country- or region-centric that are then made irrelevant by the later strategic review by the Secretariat.</p> <p>(f) Introducing standards for turnaround time for review comments by the GCF Secretariat and AEs will ensure that country interests are addressed in a timely manner.</p> <p>(g) A separate, further streamlined, review process for small projects (below \$20 million of GCF resources), taking inspiration from the LDCF operational process. This would include:</p> <ol style="list-style-type: none"> i. A review of a concept (with max 1 review to ensure alignment with the GCF investment framework). ii. Board approval of a concept and conditional approval of a project proposal, setting aside the necessary resources for the proposed project. Approval of project development funds should also be provided at the same time based on a simple yes/no request for project development funds. Unused project development funds should be rolled over to the implementation phase (with details provided in the full proposal submitted for subsequent Board endorsement). iii. Secretariat review of the proposal (based on suggestions made above). iv. ITAP review should not be a requirement. In its place, the proposal should be circulated to Board Members and ITAP for 21 days for review. ITAP members can comment if they wish. Comments should be provided within seven days. v. The project proponent (country), with support from the AE, has an opportunity to respond to the comments. vi. ED/GCF Secretariat endorses project on behalf of the GCF Board. vii. Reporting and Monitoring as per standard in the AMA. <p>(h) Review feedback and comments are shared in a structured way in a standard format according to the sections/content reviewed in a document. Suggest developing a review template so that back and forth feedback over email(s) is avoided and there is robust tracking of the feedback and responses.</p>
c.	Defining further decision-making options, including deferral of proposal approvals	<ul style="list-style-type: none"> • Deferral could usefully be linked with the provision of project development funds (e.g. from the PPF) in an automatic or quasi-automatic manner, thereby allowing project developers to address the data deficiencies or other reasons in a reasonable timeframe.

Elements for review		UNDP Comments/inputs
		<ul style="list-style-type: none"> Approval can be postponed for proposals that do not satisfy the investment criteria or have little to contribute to the GCF results framework. However, this risk should be identified at either the concept stage and/or the 1st review of the full proposal. Suggesting that a project does not meet this aspect should not be allowed post initial evaluation.
d.	<p>Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary</p>	<ul style="list-style-type: none"> It is very useful to have a comprehensive review of concept notes to guide the development of the full proposal. That said, concepts must be reviewed in a single review procedure of all aspects of the proposed project (not via a number of disparate reviews from different teams within the Secretariat, for example). Approval of project preparation funds for the concepts must signal that the GCF Board believes in the project idea and that funds are set aside for the project subject to eventual endorsement of the proposal. If a concept does not receive preparation funds, it means that the GCF considered that there are significant technical issues that need to be addressed before the prep grant can be secured. This should be the only reason for withholding relevant funding. TAP review can be a useful tool at the concept stage to provide a set of recommendations for the project proponents to consider and address during FP formulation. Once the recommendations have been made and addressed, additional issues should not be a reason for delay if these matters were previously discussed at the concept stage. No concept revisions and re-submissions must be required, based on TAP recommendations. All review documents should be public. GCF Secretariat's review comments as well as AE responses should be subject to public review. Full transparency during the review process is encouraged bar for financial information that pertain to some projects involving the private sector.
e.	<p>Supporting the Board to make decisions regarding funding proposals</p>	<ul style="list-style-type: none"> The GCF Secretariat should be able to submit approval recommendations to the Board for the proposed projects. A short note of how a project meets the GCF investment criteria can be outlined in tabular form or in a checklist template. Assistance from the AE should be sought to assist in this process as necessary to address/minimize potential issues/questions etc. This will ease the review process for the Board members as relevant topics could be addressed <i>ex ante</i>. The GCF Secretariat must stand behind all projects that it decides to submit for Board consideration and approval. The Sec and AE must therefore work as one team. If this does not happen, it is likely to undermine the power of the GCF network (Board, Secretariat, AEs and, most importantly, the countries behind the projects). Countries, especially LDCs, may become reluctant to seek GCF funding given the uncertainties, lack of transparency, and costs associated with accessing funds.

Elements for review		UNDP Comments/inputs
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	<ul style="list-style-type: none"> • Unless the GEF Secretariat clarifies the concepts of incremental cost or co-financing, this should not be part of project review and eligibility criteria. • Currently, there is no clear definition of incremental cost for the purpose of the GCF programming decisions. There is also no definition of what qualifies as co-financing and whether it is at all a requirement (a condition for approval) as opposed to a contribution towards sustainability of the results. • GCF review criteria must be fully consistent with the GCF's eligibility criteria policies and in line with decisions of the COP. • In this context, additionality/incremental reasoning arguments will necessarily be tailored to the particular circumstances of a project and will be determined by a range of factors (the type of additionality/incremental reasoning argument employed, the type of project interventions envisaged, the presence or absence of a baseline project upon which the GCF proposal is building, even whether a proposal is a NAMA or a follow-up project to a priority identified in a country's NAPA or NAP). Further, there should be some understanding of the ability or lack thereof of a specific country to be able to provide credible quantitative estimates of additionality/incremental reasoning. Given the diversity of project-types and contexts that the GCF will encounter, establishing a set of general eligibility criteria for GCF funding is, in our view, overly-complex and extremely restrictive. Any criteria would inevitably have to be adjusted and modified on an ongoing and frequent basis as new projects (with new circumstances and new logics) are submitted, which would therefore undermine their utility. Further, narrow interpretations of additionality, similar to those employed in the CDM, should be avoided. Instead, additionality/incremental reasoning arguments should be made on a project-by-project basis, demonstrating to the GCF's satisfaction that a project is not business-as-usual and will achieve genuinely additional transformative climate benefits, drawing from a range of arguments and methodologies (including methodologies from the GEF, LDCF/SCCF/Adaptation Fund, carbon finance instruments and others, where necessary) as appropriate. • In this vein, while an economic analysis of proposed investment projects is always required, proposal preparations would benefit if the precise circumstances under which a financial analysis of proposed investment projects were to be clearly described. • Finally, it is currently unclear what is considered 'baseline' investments that the project build on versus 'co-mingled resources', and if/how the results framework and economic analysis should reflect these investments. Clarification on this would be useful to project developers.
g.	Developing interim procedures for redress pending the recruitment of the head of the	No specific suggestions/comments on this.

Elements for review		UNDP Comments/inputs
	independent redress mechanism	
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	<p>The GCF Secretariat may wish to review all the policies and definitions of incremental cost / additional cost of climate change that already exist. Significant expenses in terms of financial resources has gone into defining these policies which are aligned with the UNFCCC decisions. Following experiences through implementation of projects financed by institutions such as the GEF, Adaptation Fund as well as bilaterals (Canada, Australia, and Germany in particular), pragmatic approaches to establish the additionality/incremental reasoning of proposed projects is already reflected in these policies. It is widely recognized among professionals working in this area for the last 20 years that the incremental cost calculation is very challenging, and it is nearly impossible to clearly delineate climate change-related costs from non-climate-related costs of investment. That is why other Funds, with the benefit of hindsight after many years of operations, have developed conceptual definitions or sliding scales to determine additionality/ incremental reasoning. These lessons should be reflected in GCF operational policies as well. Repeating mistakes of the past should be avoided and certainly not given the opportunity to resurface even if the GCF seeks to establish its unique position in the existing climate finance architecture.</p>
	Any other general comments/inputs	<p>In a number of cases, the GCF Secretariat has determined the environmental and social categorization of projects without fulling understanding not only the extensive work that has been undertaken in developing the projects to ensure environmental and social compliance but, moreover, the team the AEs have used in developing the project. The AEs are engaging extremely practical and highly experienced professionals to assist in the categorization of projects and would never attempt to proceed with a project that would have significant environmental and social risks. The GCF should rely on the professionalism of the AEs, which combine on-the-ground knowledge with rigorous internal compliance requirements of their own.</p>

XX. Submission from Mr. Omar El-Arini, Board member from Egypt

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<ul style="list-style-type: none"> • The fastest way is to request AEs to submit work programmes prepared in accordance with templates to be developed by the Secretariat. A work programme should identify proposals in countries in both adaptation and mitigation, with a time frame for submission of funding proposals and their indicative costs. • Secretariat to undertake a desk-study of INDCs documents submitted to the UNFCCC Secretariat, to identify most likely project proposals listed in them. • Speeding up of preparation and submission of country programmes, which should list, among other things, projects to be submitted for GCF funding. • Posting of requests for proposals.
b.	Streamlining and improving the transparency of the proposal approval process	It is certain that important lessons could be learned if the Secretariat, TAP, relevant NDA and AE can provide their experience (separate or collective) associated with the first batch of funding proposals submitted to B.11. This testimony will be of vital importance for the Board, and as such must be provided, as requested in decision B.11/11
c.	Defining further decision-making options, including deferral of proposal approvals	<ul style="list-style-type: none"> • Unconditional approval • Approval as one off, without constituting a precedence • Approval pending availability of resources (in case funding proposal is approved but the Fund does not have enough resources to finance the project) • Approval contingent on meeting certain requirements (as was the case at B.11) • Deferral with a request to satisfy certain conditions before resubmission • Reconsideration of an approved funding proposal if any of the original basic elements of the proposal was changed • Cancellation of an approved funding proposal because of unjustifiable delays in implementation • For multi-tranche proposals, a funding tranche can be withheld pending resolution of the underlying reason(s)
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	This should be simplified to give enough information to inform proposals proponents whether to go ahead and develop a full funding proposal.
e.	Supporting the Board to make	The Secretariat/TAP should provide the following information when recommending approval/disapproval of a funding proposal to the Board:



	decisions regarding funding proposals	<ul style="list-style-type: none"> • How the proposal fits in the country of origin climate change strategy, and how it meets the initial results areas • Assessment of its climate impact • Basis of calculation of project costs • Cost-effectiveness of the proposal (US\$/ton CO2 eq avoided/removed) per funding instrument • Category of the proposal, i.e. adaptation, mitigation, cross-cutting.
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	<p>Other than the initial results areas and initial investment framework, would be proposals proponents do not have adequate information to guide their proposal preparation in terms of what would be eligible for funding and what would not be.</p> <p>Establishing categories of incremental costs by sector for mitigation proposals would facilitate determination of the applicable/eligible funding instrument(s)</p>
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	<p>Joint meetings of the Investment Committee and the Ethics and Audit Committee, with TAP assistance could be the interim modality for dealing with redress issues. AE concerned may be invited to such meetings.</p>
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	<p>The 8 elements included in paragraph (d) are extremely important, and therefore merit a separate document.</p> <p>Some of the policy gaps are already included as issues to be addressed through the implementation of the 2016 Work Plan.</p>
	Any other general comments/inputs	<p>The Secretariat must, as a matter of priority, submit the project review analysis requested by the Board and referred to above.</p>

XXI. Joint submission from a group of Civil Society Organizations

In Songdo in March, the Green Climate Fund (GCF) Board took note of document GCF/B.12/Inf.05 titled “Review of the initial proposal approval process (progress report)” and with decision B.12/22 invited “submissions, no later than 10 April 2016, from Board and alternate members, observers, accredited entities, NDAs/FP, and delivery partners, in relation to the review and in accordance with decision B.11/11 paragraph (j), as well as paragraphs (c) and (d).”

This joint submission by a group of CSO observer organizations actively engaged in the GCF⁹ is in response to this invitation by GCF Board.

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<p>Strengthening the pipeline: In order to ramp up ambition on climate action before 2020, to give full effect to the principle of country ownership and to fully implement the Paris Agreement post-2020, the GCF should seek to scale up its pipeline by supporting initiatives that countries have prioritized in comprehensive national climate strategies including NAMAs, NAPAs and NAPs and in their nationally determined contributions (NDCs). Converting these national strategies for pre-2020 and post-2020 ambitious climate actions into fundable projects should be encouraged and supported, for example via readiness technical and financial support.</p> <p>In support of Paris Agreement implementation, the GCF should especially help countries to implement those “paradigm shifting” policies and actions in their NDCs that:</p> <ol style="list-style-type: none"> 1. Countries have said will require international support; and 2. Will help countries enhance or exceed their initial NDCs, so as to meet the Paris goals of (1) narrowing the existing mitigation gap, (2) preparing the way for countries to put forward more ambitious NDCs in the next rounds, and (3) peaking emissions as soon as possible and achieving balance between anthropogenic sources and sinks of GHGs in the second half of the century. <p>Clearer approval requirements for programmatic approaches (such as enhanced direct access, EDA) would help scale up the overall GCF’s portfolio pipeline. This should include guidelines for determining what qualifies as a program and the level of specificity needed for sub-projects at the time the proposal is submitted. These guidelines with respect to sub-projects should be “fit for purpose”, i.e. differentiated based on funding amounts and risk-categorization of the component projects. For example, a national small grants program proposed under EDA, would not need to provide specificity on individual small grants (for which decision-making would be devolved to the accredited entity with the NDA/FP</p>

⁹ CSO accredited observer organization that contributed to this joint CSO submission: Aksi! for Gender, Social and Ecological Justice; Asian Peoples Movement on Debt and Development (APMDD); The Development Institute; Freedom from Debt Coalition; Friends of the Earth US; Germanwatch; Heinrich Böll Stiftung North America; Institute for Policy Studies; Interamerican Association for Environmental Defense (AIDA); Pan African Climate Justice Alliance (PACJA); Philippine Movement for Climate Justice; and Sierra Club.



		<p>providing oversight), while a co-funded program amongst several MDBs combining several individual larger projects with risk categories A or B would be required to provide substantially more project details. Indeed, depending on the level of risk, the latter scenario could require individual project approval by the Board.</p> <p>It is important to clarify that scale in this context is not synonymous with requested funding amounts, but refers to the importance and relevance of proposed projects and programs to contribute to a paradigmatic change within the recipient countries – something that in many cases might be better achieved with wide-spread replication of community-focused concrete actions or policy approaches than some high-cost large projects (this is also relevant for the sustainability of funded interventions).</p> <p>In many countries, a stronger, more ambitious, and more politically resilient pipeline of proposals could be developed through comprehensive country coordination efforts. Each NDA should create a country coordinating mechanism (CCM) to formally bring together different sectors and population groups – civil society organizations, local communities, Indigenous Peoples, women, local governments, local private sector, etc. – to identify priority proposals. We recommend that the establishment of such a CCM by each NDA be required as a basic function, or at least strongly encouraged as best practice. This would help ensure that “country ownership” goes beyond ownership by national governments (or even ownership by a specific ministry in a national government). The CCMs of the Global Fund to Fight AIDS, TB and Malaria could provide a possible model. A toolkit on best-practice country coordination experiences, to help NDAs/FPs beyond the broad guidelines established by the Board under country ownership, would be helpful in this regard.</p>
<p>b.</p>	<p>Streamlining and improving the transparency of the proposal approval process</p>	<p>Transparency: Project and program proposals should be made available on the GCF’s website at the latest at the time they are submitted to the independent Technical Advisory Panel (ITAP), to allow for public input/comments, especially also from project-affected peoples or communities, to inform the ITAP’s assessment.</p> <p>Because sub-projects may not be fully assessed or even identified at the time of Board consideration, accredited entities should be required to make these assessments publicly available before they make the decision to go forward with individual sub-projects.</p> <p>In all cases – for projects, programs, and sub-projects – there should be an established, easily accessible process by which the public can provide input to the ITAP. Proposals should be posted online for public comment for at least 30 days - 60 days for higher risk projects - prior to the ITAP assessment. This period might overlap with the environmental impact assessment disclosure period, where appropriate.</p> <p>The Board should clarify that the public disclosure period for environmental and social impact assessments (ESIA) requires the placement of the ESIA on the GCF’s own website at least 120 days prior</p>



		<p>to Board consideration for category A projects (and at least 30 days before in the case of category B), in an easily accessible location on the website.</p> <p>In addition to the ITAP assessment reports that will be made public as part of the project documentation on the GCF website (Decision B.11/11 (h)) the GCF Secretariat due diligence reports should be also made public on the GCF website.</p>
c.	<p>Defining further decision-making options, including deferral of proposal approvals</p>	<p>Deferral: The Board should be explicitly authorized to defer a decision, if further information or due diligence is necessary for it to reach an informed decision. For example, missing information on sub-projects may be a particular reason for deferral, as might concerns from potentially affected people who were not consulted, especially in the absence of an elaborated GCF Indigenous People policy on issues related to Free Prior and Informed Consent (FPIC). The Board should then defer a decision in cases where potentially affected peoples and local communities have registered a strong objection with the Board, including via the CSO active observers until further due diligence is conducted and the legitimacy for such an objection verified.</p> <p>Conditional Approval: Where the Board grants conditional approval based on projects/programs’ modifications, the Board should condition final approval on confirmation that the modifications have been implemented within a reasonable time-limit. In cases where approval is subject to availability of funding, the Board should develop clear guidelines clarifying how such conditionally approved projects are prioritized for funding once the GCF’s commitment authority is reestablished.</p> <p>Programmes: The decision-making procedure for programmatic funding in cases where the exact scope of sub-projects/investments is not clear at the time of approval should also be further clarified – in particular, to ensure that stakeholder consultations take place in advance of new investments (as they would for individual projects). Financing for sub-projects (and significant new investments) not explicitly identified at the time of project approval should be subject to a process of Board approval in the case of Category A and B proposals (i.e. in these cases, only an “allocation” might be initially made, pending a further Board decision).</p>
d.	<p>Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary</p>	<p>Concept notes from direct access entities should be prioritized for feedback from the ITAP (in addition to the feedback they are already receiving from the Secretariat).</p> <p>The ITAP should be empowered (through sufficient resources) to engage with accredited entities not just at the concept stage but after full proposal submission. It should also be able to assess whether the proposed activity is consistent with the assigned risk category (in addition to such assessments already being provided by the Secretariat).</p>

e.	Supporting the Board to make decisions regarding funding proposals	<p>Screening: The Secretariat should have discretion to not forward proposals to the Board, where the Secretariat determines that the project <u>clearly</u> does not meet the Fund’s eligibility or selection criteria. Such discretion would allow the Board to focus on the most worthy projects and spare project sponsors the consequences of a public rejection by the Board. To protect the interests of the project sponsor, the Secretariat’s determination should be subject to review by the IRM.</p>
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	<p>Additionality: The Board should strengthen and clarify its approach to additionality, to better ensure that it does not fund projects that would otherwise be funded by the private sector or other IFIs. The GCF should apply a “but for” causality test by asking whether the project/proposal would go forward without GCF support.</p> <p>Additionality should also be considered in the broader sense of operational and institutional improvements that are the result of GCF involvement. Will there be improvements in social and environmental standards, gender responsiveness, corporate governance and measurable portfolio shifts towards sustainability, or institutional management as a result of GCF involvement?</p> <p>Additionality may be particularly difficult to determine where the accredited entity is an IFI. In that case, it may be difficult to determine whether GCF is catalyzing additional action, or simply reducing the exposure of the accredited entity’s own financing. The Board should develop guidelines to address this scenario and avoid subsidizing IFI lending.</p> <p>Incremental Costs: The Board should adopt guidelines to ensure that the GCF provides the “least concessionality needed to make the proposal viable,” and does not end up providing rents to the project sponsor. Accordingly:</p> <ol style="list-style-type: none"> 1. Incremental costs should not be inflated by regressive policies, such as fossil fuel subsidies. Where high GHG and climate vulnerable alternatives are supported by subsidies, the GCF should prioritize policy interventions to remove those subsidies, rather than trying to overcome them with excessive incremental cost financing, 2. The Board should foster competition between proposals to minimize incremental costs, and to raise the quality of funded projects. This could include: (1) Considering proposals based on RFPs, rather than on a rolling basis, and identifying winners by determining which projects best meet specified evaluation criteria; (2) Using reverse auctions for results based payments for certain areas of mitigation, as in feed-in tariffs; and (3) piloting competitive “prizes”, in which a cash grant is paid to the first organization or company that develops a product, or delivers a service that meets the specified criteria. <p>The Board should also develop guidelines, in line with the Governing Instrument para. 35, that set out the circumstances in which the GCF will provide full-cost financing. Likewise, the project proposal template must</p>



		<p>be revised to clarify that the provision of co-financing is not an eligibility criterion for project proposals to be considered.</p> <p>There should be a discrete requirement – i.e. an eligibility criterion – that the accredited entity, in concert with the NDA/FP, can demonstrate through detailed documentation that it has conducted meaningful consultation with stakeholders, according to international best practice. This must not be a “tick-the-box” exercise.</p>
g.	<p>Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism</p>	<p>Interim Procedures: Instead of focusing on Interim procedures for the independent redress mechanism, the goal should be to select the head of the IRM speedily and give him/her the resources and Board support needed to get the GCF’s own system up and running as quickly as possible at a time when the GCF is also developing its own environmental and social safeguards distinct from the IFC Performance Standards. A corollary is to ensure that potentially GCF project/program-affected peoples and communities are consulted following FPIC guidelines at the earliest stage of project/program conceptualization and proposal development to avoid any harm from occurring in the first place.</p>
	<p>Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), including:</p> <ul style="list-style-type: none"> • Project eligibility criteria • Calculation of incremental costs • Risk investment criteria; <p>and other common areas in which projects could provide a better demonstration of how they meet existing GCF policies as contained in paragraph (d), including, but not limited to:</p> <p>(i) The linkage between climate actions and how they enable economic</p>	<p>How benefits will be sustained once GCF financing ends: GCF financing benefits will then be most sustained if the GCF projects/programs empowers national and local actors in government, communities, civil society and the private sector and provides them with concrete benefits and ownership over the intervention. Thus, for example for implementing entities and executing entities a subsidiarity approach should be applied favoring implementation and execution of GCF projects as with as national and local entities as possible.</p> <p>Monitoring and evaluation, including how lessons can be disseminated to inform and possibly promote replication in other regions/countries: It is important to pro-actively involve project/program-affected people and communities in the M&A of GCF projects and programs. The Board has already recognized the principle of participatory monitoring as an important part of the Initial Monitoring and Accountability Framework. Guidelines and best-practice toolkits for the further elaboration of this approach should be developed. The inclusion of participatory monitoring approaches in project/program proposals should also be considered an important eligibility criterion. Participatory monitoring provides concrete feedback on what works and does not work for beneficiaries in GCF project/program approaches and can be used to apply lessons from best practices while avoiding worst practices in replication. The Board should regularly review and discuss experiences gained from participatory monitoring. In order to enhance project information dissemination and replicability of projects/programs, the inclusion of regional experience sharing forum should be incorporated the proposals as part of the criteria.</p> <p>How benefits for women and girls will be delivered: The delivery of benefits for women and girls from GCF funded projects and programs can be best assured when the voices and needs of women and girls as important stakeholders are reflected throughout the GCF project/program approval cycle. This starts with the inclusion of</p>



<p>development to proceed in a sustainable manner;</p> <p>(ii) How the project/programme incorporates potential innovation;</p> <p>(iii) How benefits will be sustained once GCF financing ends;</p> <p>(iv) Monitoring and evaluation, including how lessons can be disseminated to inform and possibly promote replication in other regions/countries;</p> <p>(v) How benefits for women and girls will be delivered;</p> <p>(vi) How fiduciary weaknesses in project countries will be addressed;</p> <p>(vii) Country ownership and effective stakeholder engagement; and</p> <p>(viii) Additionality of the funding;</p>	<p>women’s and feminist groups from civil society and a country’s women’s machinery into a country coordination mechanism (CCM) for the development of country programs, by focusing on designating women and girls specifically as project/program beneficiaries (with commensurate budget allocation), and by involving women’s groups in participatory monitoring or investing in them as project executing entities. The inclusion of gender experts into IE project/program teams and in technical advisory bodies (such as the ITAP) is also crucial. Project/program developers must develop interventions that integrate gender-responsiveness throughout, and not just as a narrow segmented aspect to check a box.</p> <p>Country ownership and effective stakeholder engagement: There is no clarity in the current proposal approval process about when project-affected communities will be informed about the (planned) project. There should be a presumption to disclose information about a project at the earliest possibility, i.e. already at the pre-concept stage during initial project exploration and concept development.</p> <p>Stakeholder consultation is different from a consultation with affected peoples’ or communities and should be held separately. For a project/program design to go forward, the consent of affected communities and people in line with the principles of FPIC should be assured via their “no-objection-statement”.</p> <p>The NDAs/FPs should consult with project affected communities to seek their views before they issue a “letter of no objection” to any entity seeking NDA/FP endorsement for submitting a project/program proposal to the GCF for funding. This will enhance ownership of such projects/programs in the communities where they are to be implemented and guarantee the project/program success and sustainability.</p>
<p>Any other general comments/inputs</p>	

XXII. Submission from Mr. Teimuraz Murgulia, Board member from Georgia

Elements for review	Comments/inputs
<p>a. Strengthening and scaling up the GCF pipeline, including the country programme pipeline</p>	<p>While discussing strengthening and scaling up the GCF pipeline, it is obvious that adequate readiness support should be made available for the development of comprehensive GCF country programs that identify priorities for GCF support and concrete actions to achieve them, building on the INDC and other national strategies and plans. All countries should have the opportunity to prepare GCF country programs that will help the Board prioritize funding.</p> <p>National designated authority (NDAs) and focal points which are chosen by national governments as entities that coordinate country's engagement with the Fund, approving the projects through a no - objection procedure; ensuring that activities are contributing to sustainable development and complying with national rules; monitoring the performance of implementation of the projects and environmental and social safeguards; and engaging with national stakeholders on procedures of the Fund through appropriate and accessible means and in local appropriate languages.</p> <p>Moreover, it is necessary to build local capacity about consultation processes and the rights of people where information is not tailored to the local context, to make complaints mechanisms known and truly accessible to people.</p> <p>To promote ambitious action anchored in a country's INDCs and broader domestic sustainable development agenda, GCF country programs should serve as a primary driver of Fund programming, and an appropriate link should be made between GCF programming and INDC implementation. In the evaluation of proposals, the Board should be advised by the Secretariat on how projects and programs align with country strategies, and contribute to transformational outcomes consistent with countries' INDCs.</p> <p>At the 11th GCF Board meeting, the Board decided that the Secretariat should publish information on the project pipeline ahead of each Board meeting. We recommend report to contain information on projects at various stages of development, as well as a compilation of the indicative projects and programs included in GCF country programs. Information should be made available in a timely manner, to allow for adequate consideration by Board members, civil society, and other stakeholders ahead of Board meetings. Information on the project pipeline can help the Board monitor the Fund's portfolio and ensure funds are directed strategically to transformational projects and programs, and should not be used to pre-judge the approval of any specific projects.</p> <p>Current GCF support on pipeline development is in two channels: PPF established at B.11 and readiness support activity area two and four, which supports countries on country program and pipeline development. these</p>



		<p>options support NDAs and accredited entities, particularly direct access entities, to access GCF resources for pipeline development.</p> <p>Additionally an effective way to strengthen the pipeline and help GCF to reach a larger scale is programmatic approach, Private Sector Facility can be considered specific windows for programmatic approaches, possibly with framing on high sustainable development co-benefits. Programme financing which Finance various project phases over time, and “Funder of funds” for dispersed smaller investments.</p> <p>From 8 projects approved by the Board, two projects have programmatic elements (KawiSafi Ventures Fund in Eastern Africa; Energy Efficiency Green Bond in Latin America) and both are from private sector.</p> <p>As mentioned above one of the most important step to achieve scale is to promote a programmatic approach covering both adaptation and mitigation, but we need to consider that projects can involve multiple sectors, multiple countries and different types of interventions, and this approach needs to be guided properly to avoid the confusion, also it is important Board to review how and when programmes can be used and how to revise policies and procedures to approve programmes as needed.</p>
<p>b.</p>	<p>Streamlining and improving the transparency of the proposal approval process</p>	<p>To facilitate early cooperation on potentially complementary initiatives, to avoid wasted effort and to identify best practices, we should addresses issue of transparency with the greatest urgency. It is important to facilitate to more access on its information to stakeholders, in order to contribute meaningful stakeholder engagement.</p> <p>Given the scale of climate finance flowing through the GCF, it is important Fund to be based on the highest standards of integrity, accountability, and credibility. Building on the experiences from other international funds, to prevent occurrence of corruption, collusion and fraud at the operational and project level, we should ensure: (a) transparent monitoring, reporting and evaluation with independent oversight (b) an open, inclusive, and participatory approach to decision making (c) strong national governance.</p> <p>Increasing transparency and information flows to Board members and other stakeholders, as well as streamlining Fund policies and procedures, can enhance operational efficiency, provide clear guidance to countries and institutions looking to partner with the Fund, and send a stronger positive signal to the private sector and contributing governments.</p> <p>While improving transparency, we need to ensure that there is no favoritism among different stakeholders and countries. All countries, stakeholders and partners need to be treated fairly and this will improve credibility and trust across the board. GCF should balance funding with different types of geographical coverage (global, regional and local (country) projects as well as with Mitigation/Adaptation; additionally it is important to avoid overlap between climate and development assistance, in this regards GCF should ensure clear and transparent selection process and investment criteria with associated calculation/measurement procedures.</p>



		<p>In terms of proposal approval process we recommend to use The Clean Development Mechanism CDM example: where NDA after giving No objection letter, can reject project during the implementation, also before final approval, projects need to be open for public and the stakeholders for comments.</p> <p>The Clean Development Mechanism (CDM), as a long-standing mechanism for emission reductions, provides valuable lessons for this process. The recommendations in this submission disclose how GCF can build on the shortcomings of the CDM, in order to ensure that project/programmes supported through the GCF</p> <p>Additionally our position on Board member’s suggestion that - In order to streamline the approval process, the information provided by entities during the accreditation process should not be requested again during the proposal approval process and that the information requirements should be adjusted for certain proposals meeting specific criteria to be agreed upon (e.g. simplicity, low risk, low-value), we think, this kind of selection, instead of streamlining and improving process will make it more complicated, as far as we think that, when the organization completed accreditation, no matter it is international or national entity should be treated equally; in tis regards we recommend to use general pattern document for the process with Possible extending details depending on the project size.</p>
<p>c.</p>	<p>Defining further decision-making options, including deferral of proposal approvals</p>	<p>The Board currently has three options for decision-making on funding proposals (i) Approve the funding proposal; (ii) Provide an approval that is conditional on modifications to project or programme design or subject to availability of funding; or (iii) Reject the funding proposal.</p> <p>The decision is recorded by the Secretariat and communicated to the Interim Trustee. The Secretariat informs the IE or intermediary and the NDA or focal point of the decision and next steps. In the case of rejection, the Secretariat will inform the developing country that, in accordance with decision B.06/09, they may request reconsideration of the funding decision via the independent redress mechanism.</p> <p>Though we support idea to improve simplified decision making on approval of project proposals, but, introduction of fourth option for final decision making, that AEs to be able to respond to major revisions or clarifications requested by the Board, and after clarification, resubmit the funding proposal with required revisions, overlaps current process on conditional approval, (annex VII to document GCF/B.07/11), therefore currently</p> <ul style="list-style-type: none"> • Funding proposals that are conditionally approved may be re-submitted in future if the IE or intermediary so wishes (with or without modification). • Funding proposals that are rejected would not be funded but may be subject to reconsideration through the independent redress mechanism, should the proponent so decide to submit it for reconsideration (GCF/B.07/03)



		<p>Even current funded projects includes number of conditions and recommendations (Annex I: List of conditions and recommendations DECISION B.11/11), our opinion is that adding the fourth element to current process is absolutely unnecessary.</p> <p>Therefore we endorse not to add additional options to the current proposal approval process, or at least combine these options: (ii) “Provide an approval that is conditional on modifications to project or programme design” and (iv) “Enable the AEs to have the opportunity to respond to major revisions or clarifications requested by the Board”. In case of other decision we will need explanation and detailed guidelines, how these two process can be developed independently.</p>
<p>d.</p>	<p>Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary</p>	<p>With the establishment of the PPF, for project preparation funding requests, concept notes will be submitted to the Board for consideration and approval. Concept notes will remain on a voluntary basis as part of the proposal approval process, and are seen as a valuable feedback tool between accredited entities and the Secretariat.</p> <p>We do not support TAP involvement on project cycle, as we think that, if the TAP is to be involved in the design of the project at an early stage, its ability to independently and objectively assess a funding proposal would be compromised.</p> <p>Therefore we recommend to develop Project Task Force within the secretariat/or Board to respond to the project concept needs. PTF members with the right skills should pool their experience and expertise to work as a team mandated with ensuring that the project is formulated in a coherent and consistent manner and complies with the Country goals and policies as well as with GCF goals.</p> <p>However if secretariat and the Board decides about TAP involvement on concept development phase, in order to keep impartiality and transparency, we should ensure that above mentioned expert will not assess final projects.</p>
<p>e.</p>	<p>Supporting the Board to make decisions regarding funding proposals</p>	<p>The primary components of this decision-making support are the initial proposal approval process, investment framework and results management framework. For the investment framework, the six investment criteria of the GCF adopted in decision B.07/06, along with the further development of the framework adopted in decision B.09/05, guide the accredited entity’s preparation of funding proposals and their assessment by both the TAP and GCF/B.12/Inf.05 Page 8 the Secretariat. In accordance with the initial proposal approval process, the Board receives these assessments as part of the funding proposal package and takes a funding decision. In the design of the proposal approval process, the Board relies on the technical expertise and assessment of the Secretariat and the TAP in order to arrive at an informed decision.</p> <p>In order to support Board in Decision making process, we offer the development of following schemes: after funding proposal assessment from Secretariat and ITAP, in case of difference with final report, group</p>



		form Board of Green Climate Fund (3 person) should make detailed evaluation of project, (therefore board members should be rotated for each project), where they will introduce the Board their vision for final decision.
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	<p>In order to strengthen project/programme eligibility criteria, eligible types of activities need to clearly demonstrate that there are procedures in place that provides a reasonable assurance that the emissions reductions would not have occurred in the absence of the funded activity. The GCF should do well to draw on the lessons about the merits of different approaches to baselines, methodologies and monitoring. The CDM has a wealth of experience of trying to establish credible baselines- increasingly sectorally in the way the GCF may will have to- of deciding which sectors and regions should be included and on what basis.</p> <ul style="list-style-type: none"> - The GCF boards needs to consider carefully how it will preserve the environmental integrity of the projects it finances by ensuring they are truly new and transformational. - The GCF needs to require stringent auditing and checking for double-counting where projects are being supported by multiple funders. - GCF needs to adopt a negative list in order to exclude particular project types and technologies which are considered to have negative side impacts.
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	The GCF must deliver on the ultimate objective of the Fund to promote a paradigm shift towards low emission and climate-resilient development pathways therefore, we should consider sustainable development objectives and co-benefits of mitigation and adaptation efforts. It is critical to consider that the GCF averts from financing any activities that could aggravate negative economic, social environmental effects. However, experiences from the ground have shown that many internationally financed projects do not live up to the sustainable development benefits indicated at the design stage of the project and have made no contribution to sustainable development for the most part – in relation to jobs, technology transfer and health outcomes. absence of appropriate mechanism with mandatory commitments to monitor, report, and verify claimed sustainability benefits, makes it impossible to assess whether or

	<p>not the individual sustainable development goals of projects have been delivered in practice. We should break with these trends. Projects and programmes funded through the GCF should clearly signal the Fund’s objective to contribute to a paradigm shift towards low-carbon and climate resilient sustainable development. This is also necessary to avoid the reputational risk that the GCF supports activities that lead to adverse impacts for people and their ecosystems, which might undermine the credibility of the GCF.</p> <p>Therefore we recommend that:</p> <ul style="list-style-type: none"> - In the process of approving funding proposals, we should prioritize support for projects and programs that demonstrate high potential for economic, social, environmental and gender sensitive development co-benefits - we should adopt a negative list, in order to exclude climate mitigation project and programmes that support technologies or practices with high GHG emissions, such as harmful projects or programs and those associated with other high environmental and social costs. Additionally while considering each proposal individually we should determine how innovative they are, how well they contribute to a paradigm shift, what added value the GCF brings by financing them, whether relevant standards and safeguards have been considered, and whether the activities clearly articulate a path for success. For example, in some proposals might be unclear to what extent affected stakeholders have been consulted in the design stages of the project, some projects articulate innovative approaches, but need further detail on how financial structures will be operationalized, and who will be responsible for certification, monitoring and etc. The Board should explore the strengths and weaknesses of each proposal and focus on approving high quality projects in order to set a good precedent from the outset.
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XXIII.Submission from Mr. Karsten Sach, Board member from Germany

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country program pipeline	A key instrument to promote a country-driven approach within the project/programs approval process is strengthening the role of NDAs in prioritizing and designing projects/programs. At the same time, the principle of country ownership needs to be looked at more broadly. In doing so, the GCF should ensure that NDAs develop their country program building on their NDC. After all, country ownership requires coherence between all climate relevant operations at the country-level, which in turn requires close coordination with all relevant ministries and actors. In developing country programs, NDAs should be offered support by the readiness program. To support the swift development of country programs, the implementation of the readiness program should be enhanced (cf. Strategic Plan). Since the process of developing country programs will nevertheless take time, the development of country programs should remain voluntary at least during the IRM period.
b.	Streamlining and improving the transparency of the proposal approval process	<p>In the interest of transparency, concept notes (cf. d. below) as well as the reviews of both the Secretariat and the ITAP should be published on the Fund's website at least three weeks ahead of a meeting (or the deadline for a decision between meetings).</p> <p>In developing Funding Proposals, AE and NDA would have to ensure the consultation of relevant stakeholders based on international best practice as country ownership also entails the effective participation of civil society, the private sector and other relevant stakeholders.</p> <p>Board/Alternate members, civil society and private sector observers and other stakeholders should have the opportunity to submit comments and questions with regard to the funding proposals in advance of the Board meeting.</p>
c.	Defining further decision-making options, including deferral of proposal approvals	Cf. e. below: Decision-making options regarding Concept Note and Funding Proposal could be (a) approval, (b) approval with conditions/recommendations, (c) rejection or (d) deferral with recommendations/requirements for improvements.
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with	<p>The country program would allow NDAs to clearly communicate national priorities to Accredited Entities. On this basis, NDAs could request an AE to conduct a pre-feasibility study for a prioritized project/program. Alternatively, the NDA in coordination with the AE the NDA intends to pursue the project could commission a pre-feasibility study itself with the support of an enhanced readiness program.</p> <p>If a pre-feasibility study concludes that an approach has potential, AEs in close coordination with the NDA would develop and submit Concept Notes to the GCF for approval. The Concept Note could include a request for funding from the Project Preparation Facility (PPF), if necessary. As AEs will ultimately be</p>

	<p>accredited entities as useful and necessary</p>	<p>responsible for the implementation of a project, we believe that the development of Concept Notes should be in the hands of AEs. Country ownership would need to be ensured through the requirement of a no-objection letter and through the requirement for AEs to closely coordinate with NDAs throughout the process. This process will also allow NDAs to choose the AE they deem most capable to develop a Concept Note based on the outcome of a pre-feasibility study that has been financed through the readiness program.</p> <p>Concept Notes would then be reviewed by the Secretariat and by the Independent Technical Advisory Panel (ITAP). This review, like the review of funding proposals, would be guided by the Initial Investment Framework. A rigorous and transparent assessment is needed to incentivize the selection of the most ambitious and transformational proposals. Like the Secretariat, the ITAP should be able to contact NDAs or AEs as useful and necessary.</p> <p>The Board would consider the approval of Concept Notes and simultaneously consider the approval of PPF funding to be provided for the development of a full funding proposal (incl. a feasibility study). Decision-making options could be (a) approval, (b) approval with conditions/recommendations, or (c) rejection. This decision would not preempt the decision about the funding proposal, i.e. no funds would be set aside for the project. The approval would merely signal to AE and NDA that the project shows promise to fulfill the Fund's investment criteria. In order to ensure that the approval of Concept Notes does not lead to unnecessary delays, it is worth considering a process for the Board to approve Concept Notes by written procedure in-between meetings.</p> <p>Once a Concept Note has been approved, the AE in close consultation with NDAs would develop a funding proposal, based on the results of the (PPF-funded) feasibility study (where applicable). In order to ensure a speedy process, AEs should have to submit funding proposals with a certain time limit (e.g. 12 months).</p>
<p>e.</p>	<p>Supporting the Board to make decisions regarding funding proposals</p>	<p>To support the Board in making decisions regarding funding-proposals, the information transmitted to the Board should include a crisp summary of the proposed activities and how they perform against the fund's investment criteria in addition to the full proposal and evaluation.</p> <p>Decision-making options could be (a) approval, (b) approval with conditions/recommendations, (c) rejection or (d) deferral with recommendations/requirements for improvements. Board/Alternate members, civil society and private sector observers and other stakeholders should have the opportunity to submit comments and questions with regard to the funding proposals in advance of the Board meeting. In order to simplify and speed up the approvals process in the medium term, the Board could consider approving funding proposals primarily by written procedure in-between meetings.</p>
<p>f.</p>	<p>Strengthening project/program eligibility criteria, including categories of incremental cost eligible for funding</p>	<p>The GCF needs to agree on a process for determining financing conditions for public sector projects. There have been requests for improved transparency in the application of rules and procedures by the Secretariat. This can be a prohibiting factor when it comes to encouraging accredited entities and NDAs/FPs to bring funding proposals to the GCF. Hence, we believe that providing more clarity and transparency in this regard through clear guiding is of crucial importance. In substance, the terms and conditions should be tailored</p>



		<p>to ensure that GCF resources address barriers in a way to provide for economic viability for transformational projects, thus maximizing the impact of the funding provided by the GCF. In our view, following a case by case approach based on economic viability is more efficient compared to defining project eligibility criteria beyond the current investment criteria and general rules for how to calculate incremental costs. Determining project eligibility criteria and eligible incremental costs for the large variety of activities, which countries might want to include in their country programs, also taking into account technology development, is simply impossible.</p>
g.	<p>Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism</p>	
	<p>Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)</p>	<p>The Fund should define its risk appetite as quickly as possible. It should be made clear that the GCF has been established with a mandate to take on more risk than existing climate finance providers.</p>
	<p>Any other general comments/inputs</p>	<p>In our view, the review process should primarily be guided by the objectives and guiding principles of the GCF as laid out in its Governing Instrument, among them</p> <ul style="list-style-type: none"> • promoting a paradigm shift towards low-emission and climate resilient development pathways; • pursuing a country-driven approach; • maximizing the impact of its funding; • being a continuous learning institution; • operating in an inclusive and transparent manner; and • placing a particular focus on supporting those developing countries particularly vulnerable to the adverse impacts of climate change, including LDCs, SIDS and African States. <p>Decision B.07/03 (e) noted the need to consider the process for regional programs and projects. To ensure country ownership for regional programs as well, our proposal would be to require AEs to submit no-objection letters from all countries involved.</p>

	<p>Decision B.11/11 (o) requests the Secretariat to simplify the funding proposal template. The funding proposal template should be revised and streamlined. It should request more explicit information on</p> <ol style="list-style-type: none"> (1) how the proposed activities are embedded in existing climate strategies and policies of the respective country and serve to enhance ambition, (2) how the project makes an ambitious contribution to climate change mitigation or adaptation and how this impact is at the very heart of the project, (3) to what extent stakeholders are affected by the proposed activities, how the proponent is planning on mitigating or avoiding negative impacts and to what extent the broad variety of stakeholders has been consulted and with what results, (4) how the sustainability of impacts will be ensured beyond the duration of the project, (5) what efforts are being taken to ensure that women and girls are equally involved in and benefit from the project activities, (6) to what extent the proposed project/program does not only have the potential for replication or scale-up but through what mechanisms this might actually happen, (7) the additionality of funding. <p>It could be envisaged to simplify the template for micro and small projects. At any rate, it should be ensured that the funding proposal template follows best international practice and contains all relevant information. The templates should, as far as possible, follow the model of MDBs and other relevant funds in order to limit the transaction costs for NDAs and AEs in case of co-financed projects-</p> <p>The GCF needs to approve clear guidelines on how to engage at scale in more transformative programs, including through programmatic approaches. Funding proposals for programmatic approaches would need to outline how the AE will ensure that the individual activities to be funded under the program are in line with the Fund’s ambition and investment criteria. This is a prerequisite for delegating decision making authority to outside the Board.</p>
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XXIV. Submission from Mr. Cyril Rousseau and Ms. May Gicquel, Board member and alternate member from France

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	The role of the NDAs and AEs on the ground is here crucial, and in this light the readiness programme and the PPF need to be able to implement their activities at a sufficiently rapid pace with the right focus.
b.	Streamlining and improving the transparency of the proposal approval process	We recommend that the Secretariat communicate technical recommendations from the Secretariat and the TAP to the Accredited Entities ahead of the submission to the Board, and ensure continuous dialogue with them, so as to make sure to present to the Board funding proposals well aligned with the GCF's principles and priorities.
c.	Defining further decision-making options, including deferral of proposal approvals	We are in favor of simplifying procedures for approving projects, especially for micro and small-sized proposals, as the GCF Board is non-resident and as there will not be enough time for its members to review in detail all the projects at a Board meeting. We believe it is key that the risk dimension of projects - and not the sole size - be taken into account when assessing which projects can benefit from a simplified procedure: the board needs to be able to look at the most risky ones. Indeed, we believe that in these early stages the reputational risk of the fund is great, and the Board should not delegate authority nor take decisions in between meetings on risky projects.
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	The main point here is not to complexify and slow down an already heavy process. The question of the TAP's independence is also to be kept in mind.
e.	Supporting the Board to make decisions regarding funding proposals	
f.	Strengthening project/programme eligibility criteria, including categories	In our view, it is the adaptation side of the Fund's activities that would benefit from further work, including strengthened collaboration with the UNFCCC instances (i.e. Adaptation committee) in further strengthening project and programme eligibility criteria.



	of incremental cost eligible for funding	<p>We also believe the GCF should focus on its leverage effect on policies as well as on the practices of the private sector. Understanding where the GCF has an added value and how it can move away from business as usual and do things differently is key.</p> <p>The risk aspects will need to be developed in terms of criteria.</p>
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	<p>It could be useful if the project bearer could come if it wishes so to the Board meeting to present its project.</p>

XXV. Submission from BEA International

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	Consider the technical capability in the context of human capacity for developing and preparing projects that are relevant and of high quality. Also consider institutional abilities in terms of their mandate, operations and relevance to project diversity and GCF.
b.	Streamlining and improving the transparency of the proposal approval process	Encourage stakeholder participation, public peer review process and open public participation in project identification, preparation and implementation.
c.	Defining further decision-making options, including deferral of proposal approvals	Be explicit in terms of the requirements for the deferral. If more data, clarification, information is required for an informed decision, should be done within a given time frame in consultation with the project owners.
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	Take lessons from the CDM Project Concept Notes (PCN). The Designated National Authority (DNA) most of the time lacked capacity to review PCNs and provide adequate feedback to the project developers. This needs to adhere to allocated time frame of not more than two weeks, and PCN templates should be standard and easy to access and use.
e.	Supporting the Board to make decisions regarding funding proposals	Take notes, lessons and practices from the World Bank Climate Investment Funds (CIF), has a simplified, engaging, transparent, participatory, accommodating procedure and mechanism including online decision making process that supports the Board in the most efficient and cost-effective way.
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	Eligibility Criteria should be standard and at the fore front prior to preparing PCNs. Stakeholders and Project developers and participants should have knowhow on the use and application of the Eligibility Criteria. There is need for awareness creation and awareness raising in part of strengthening project/programme Eligibility Criteria



g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	Institutionalized mechanism in accordance with institutional best practices and procedures as determined in operational manuals and procedures
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	Consider policies as living documents that require reviews, necessary and appropriate adjustments to take care of emerging issues and institutional dynamics. Not “cast-in-stones”.
	Any other general comments/inputs	Continuous engagement of observers and transparency in decision making by GCF will result in efficiency and effective implementation of good projects and programmes globally.

XXVI. Submission from NDA/Focal Point of the Federated States of Micronesia

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	Development of the Country Program for GCF financing or co-financing is an essential policy requirement, providing for stakeholders involvement and prioritized projects. Workshops and consultations with the Secretariat, IE's and intermediaries would be necessary for scaling up prioritized projects.
b.	Streamlining and improving the transparency of the proposal approval process	GCF to develop templates for the concept note and the project appraisal tasks to provide for a systematic and transparent approval process.
c.	Defining further decision-making options, including deferral of proposal approvals	GCF should streamline or conducts its own project appraisal and that any issues should be resolved with the proponent to avoid deferrals.
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	The Technical Advisory Panel (TAP) should facilitate its review of concept notes and also project appraisals and to resolve project issues with the accredited entities.
e.	Supporting the Board to make decisions regarding funding proposals	It is essential that the Secretariat resolves all issues with the accredited IE's or intermediaries before advising the Board on actions to be taken on a funding proposal.
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	Areas of funding consideration along with eligibility criteria and eligible incremental costs should be published, updated and disseminated by the Secretariat.



g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	Arbitration of grievances is an essential component of an organization, hence for the legal department to develop the needed procedures.
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	The challenges of climate action and economic development as well as how project benefits can be sustained after GCF funding is ended are critical issues in the formulation of concept notes.
	Any other general comments/inputs	

XXVII. Submission from Centre for Renewable Energy and Action on Climate Change (CREACC), Nigeria

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	Apart from NDA and focal point, one of observer members or alternate members could endorse a proposal after submitted by an accredited party.
b.	Streamlining and improving the transparency of the proposal approval process	We suggest the requirements not to be tough especially for countries from Small Island Developing States and Africa for easy accessibility, each continent should have its own specific requirements, it should not be global. There is need to involve more Ministries and Agencies from national governments.
c.	Defining further decision-making options, including deferral of proposal approvals	Deferral and resubmission to the Board could be once, this is to eliminate bureaucracy, delays and uncertainties.
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	The TAP should be independent but some Board members need to have a seat with the TAP for a more transparency.
e.	Supporting the Board to make decisions regarding funding proposals	Is not every proposal will need Board's final decisions, some smaller proposals could make a way by the TAP or the Secretariat
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	The six investment criteria are subject for review especially for activities that involve various sectors and technologies.



g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	The mechanism could report to the Secretariat directly instead of the Board for a quick action, if a complaint is beyond the Secretariat's mandate it will then report it to the Board.
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	There is need for less vigorous proposals to help Global South and SIDs for their sustainable development projects to pass through some hurdles of financing, GCF is one of transparent organizations in the world but, it needs more awareness campaigns in order to fulfil its mandate.
	Any other general comments/inputs	

XXVIII. Submission from World Bank

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	
b.	Streamlining and improving the transparency of the proposal approval process	
c.	Defining further decision-making options, including deferral of proposal approvals	
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	<p>The concept note can be the basis of an early endorsement of concept, and gives GCF the option of extending preparation grants to a proposal. It also allows GCF to better anticipate what proposals are in development, and facilitates prioritization and portfolio management. Such a two-step process is common in other multilateral funds, so reference can be made to those. The discretion to provide preparation grants should also greatly ease the preparation burden on Direct Access entities.</p> <p>As it is meant to help screen proposals and signal the GCF's preliminary interest, the level of detail required of concept notes must be kept to the very basics, – i.e., identified need and proposed solution, financing structure, and anticipated outcomes.</p> <p>An example of such a two-step process is given in Annex 1.</p>
e.	Supporting the Board to make decisions regarding funding proposals	
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	

g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	<p>The current approval procedure, including the funding template, is preventing GCF from achieving two of its declared goals – (1) access by highly vulnerable small states, (2) transformational change through innovation and projects at scale.</p> <p>The level of detailed analysis and documentation required at present results in a high transaction cost for small states. Development and preparation costs are always high in relation to the typical small-value projects in these countries. As a starting point, the approval procedure and funding template needs to be simplified for all project sizes, and then further streamlined to facilitate access by small projects.</p> <p>The other improvement needed is to apply flexibility on the information requirement for Programmatic funding proposals. There are no clear guidelines presently, and so far we have been required to produce detailed costing, feasibility studies, and financial analysis for all projects under the Program before approval can be considered by GCF. This is not feasible in practice for Programs. Details are in Annex 2.</p>

Annex 1: Example of a Two-step approval process:

- (1) Accredited entities would submit a simple Concept Note to the Secretariat for review. This would focus on the basics – and will not require pre-feasibility studies, economic analysis,

safeguards and several other items that are not likely to be available at an early concept stage.

- (2) On the basis of the Concept Note, GCF can approve the project concept on its own assessment. It may also seek independent technical input. This is a more appropriate time to comment on project design and seek to have these comments taken onboard, rather than at the full funding proposal stage.
- (3) With approval of the concept, funds for the project should be earmarked for, say, a period of one to two years. If the accredited entity does not submit the final document within this period without a major reason, the earmarking would be cancelled.
- (4) At the time of Concept Note approval, GCF may also provide preparation resources to the Accredited Agency and/or country, if so needed. This would give countries and accredited entities the confidence to proceed with project preparation.
- (5) Final approval would be based on an appraised project document. To avoid duplication, GCF could consider accepting the standard appraisal documents of the accredited entity, provided they address GCF's requirements (the appraisal document could, for example, include a special annex addressing GCF-specific requirements, as it is currently the practice for GEF). Entities that do not have standard appraisal documents could use the GCF template, but this should not be mandatory.
- (6) Since the final approval process timing is so sensitive for both countries and accredited entities, the GCF Board could approve the final documents primarily on a no-objection basis, reserving the possibility of requiring a full review for more complex projects, or when there are major deviations from the approved concept. To deal with the anticipated volume of proposals and after the procedures are well tested, approval by mail could be included as part of the GCF process. To allow for negotiations, approval by GCF Board should occur preferably just after or prior to appraisal (but we note that for some projects, appraisal and negotiations are done back-to-back).
- (7) At the moment, there is considerable duplication between the review functions of the Secretariat (for completeness) the TAP and the GCF Board, making the process extremely heavy. We recommend that the Secretariat perform primarily a completeness review; the TAP a quality review; and the Board a final approval. If the implementing entity has had its own quality review, this should be considered as an intrinsic part of the peer reviewing process (as currently done under GEF).

Annex 2: Programmatic Approaches

There are many different types of programmatic approaches, and these are but two examples:

1. Regional or global programs, where the success of the program is dependent on collaboration across countries (e.g. management of a shared water-body or contiguous natural resource, a regional hydromet/climate information or early warning program, or a regional insurance system). These programs often have integrated components, and strong synergies and linkages

across countries¹⁰. Typically all countries in a region/basin are served by the program and exclusion of a country undermines the shared program objective.

2. A programmatic umbrella where many similar projects/investments are rolled-out in many locations where projects under a program is possible due to their similarities. This may be a common solution (such as technology or methodology/tool, or even financing instrument), or a shared knowledge base from which customized solutions are developed. The synthesis of these projects under a program is appropriate as it leads to economies of scale, and lower transaction costs. Just like regional/global programs described above, this kind of program could also be multi-country and multi-sectoral.

In both cases, the difficulty in producing detailed costing and feasibility information is that individual projects under the program will always be at different stages of development. Therefore, complete and detailed information for every project cannot be available prior to funding approval of the program. Examples of secondly, in the case of regional programs

How could GCF Support programmatic approaches?

There is no perfect model, and we do not uphold one over the other. One source of reference is the GEF (see attached file). If this becomes a model for GCF, the approval of programs may be as follows:

- (1) Submission of a Program Framework Document by an accredited agency or agencies, for *in principle approval*.
- (2) The Program Framework Document should specify the initial tranche of country projects/operations proposed, and describe them through simple project information notes, which could be submitted either together with the Program Framework Document, or within a given period (6 months) of the approval of the Program Framework. It is at this early stage that the inputs of the Independent Technical Panel would be most critical.
- (3) If GCF approves the Program Framework Document, the resources for the program would be earmarked. Any resources not supported by a project information note within 6 months would be cancelled, but once the note is accepted, it would become part of the GCF pipeline. This would avoid the risk of earmarking resources for operations that may never get implemented while giving countries and accredited entities the assurance that resources will be allocated once preparation is finalized and the final document submitted.
- (4) The GCF Board would then provide a final approval to the appraised project documents, based on a no objection, or, if the operation was particularly complex, it could request a full review by the Independent Technical Panel.
- (5) The Accredited entity could then submit subsequent tranches to the Board, reflecting a rolling work plan.

¹⁰ Terrafrica (<http://terrafrica.org/about/>), a program that promotes Sustainable Water and Land Management (SWLM) across multiple countries, essentially providing the lens, support and instrument through which SWLM can be achieved. The West Africa Coastal Program (WACA) is another example, where countries are brought in based on a shared goal (management of coastal erosion) but allowing for considerable flexibility in how individual country operations are designed.



- (6) At the time of Program Framework Document and sub-project concept approval, the Secretariat should also allocate resources for preparation, if so required by the Accredited Agency or participating country.

XXIX. Submission from Mr. Leonardo Martinez-Diaz, Board member from the United States

Elements for review	Comments/inputs
<p>a. Strengthening and scaling up the GCF pipeline, including the country programme pipeline</p>	<p>We suggest the GCF clearly define the different roles of readiness and project preparation support.</p> <p>Project Preparation and Readiness Activity Area 4: There should be coherence between project preparation support provided through the Project Preparation Facility (PPF) and the Readiness Program so GCF resources provided are complimentary and not replicative of those provided through other partners, including those in the readiness coordination group or Accredited Entities (AEs).</p> <ul style="list-style-type: none"> • <u>Eliminate Overlap</u> - There is redundancy between readiness activity area four of the readiness program and the PPF. To prevent confusion among all stakeholders, <u>we suggest that readiness activity area four be moved from the readiness program to the PPF.</u> • <u>Eligibility</u> - Since the PPF and the Readiness Activity Area 4 have differences in who may be eligible funds, we suggest that the Board address PPF eligibility at B.13 in the context of the PPF Agenda item. While the PPF may be “targeted” towards direct access entities as per decision B.11/11, other AEs should be eligible to provide a mechanism for National Designated Authorities (NDAs) to work with other entities, especially in circumstances in which they may not have a direct access AE available to them or in cases in which a non-direct access AE may better suit their needs. <p>Country programming and Readiness Activity Area 2: Country programming should be incorporated into Readiness Activity Area 2 through a dynamic process that engages all stakeholders, including AEs, NDAs, and other stakeholders. Ideally, through this process, a country may be able to identify projects and programs that are consistent with country priorities and for which GCF has a comparative advantage to support and there is not other funding available.</p>
<p>b. Streamlining and improving the transparency of the</p>	<p>Online System – The GCF should establish a real-time data system to make proposal information accessible to various stakeholders including nationally designated authorities (NDAs)</p>

	<p>proposal approval process</p>	<p>and AEs. This would help ensure that all necessary stakeholders have access to up-to-date information and reduces the burden of the Secretariat for reporting on project status.</p> <p>Proposal Information Requirements – It would be useful for the Secretariat to review the scope of documentation required from the AEs in submitting proposals, depending on the size and complexity of the proposed activities.</p> <p>Document Availability – For future proposals, the Secretariat’s review of the proposal should be made public along with the ITAPs assessment and comments from the Board and any responses by the AE to comments from the Secretariat, ITAP, or Board. Additionally, in line with the recently approved Information Disclosure Policy, the full Environmental and Social Impact Assessments (ESIAs) and Environmental and Social Management Plans (ESMPs) or equivalent documents, not summaries of the documents, must be made publicly available an appropriate amount of time before Board consideration of the proposal.</p>
<p>c.</p>	<p>Defining further decision-making options, including deferral of proposal approvals</p>	<p>Re-submission - We suggest developing a <i>re-submit to Board</i> option. The Board could request an AE to address major revisions recommended by the ITAP, or Board before the Board to re-considers the proposal at a future date. The AEs responses/revisions would be clearly explained in the publicly available proposal documents. <u>We expect guidelines will be developed to detail when the Board should consider the re-submit option to be included in the action plan for improvement of the project approval process.</u></p> <p>Deferrals – There should not be a deferral option. If there are major issues with a proposal, the Board should reject it or provide clear guidance to the accredited entity for how the project should be improved for re-submission (per above suggestion).</p>
<p>d.</p>	<p>Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with</p>	<p>Early ITAP engagement - If the Secretariat approves a concept note it could go to the ITAP for an initial, light-touch, independent review, in order to improve project design early, before significant resources are expended on development. Not all concept notes would have to undergo this review, but certain projects that are more innovative or complex, or those that are being implemented by entities with less experience, could be recommended by the Secretariat for an early ITAP review.</p> <p>Project Preparation Support – The concept note template should be modified to include information required for</p>



	<p>accredited entities as useful and necessary.</p>	<p>application to the project preparation facility (PPF) so that a single template serves all concepts, whether or not they are requesting project preparation support. This will prevent AEs from having to develop an additional document. Since the Board will consider aspects of the PPF at B.13, we suggest the role of the concept note be considered at the same time.</p>
<p>e.</p>	<p>Supporting the Board to make decisions regarding funding proposals</p>	<p>Technical Comments: The GCF must have a better process for registering and responding to technical comments from the Secretariat, ITAP, and the Board to help the Board make decisions regarding funding proposals.</p> <ul style="list-style-type: none"> • <u>Secretariat</u> – Proposals should not come to the Board if the Secretariat still has technical concerns with them. Otherwise, the Secretariat is forcing the Board to exercise technical due diligence, which is supposed to be a function of the Secretariat. If there are deficiencies in the proposal, the Secretariat should work with the AE to resolve them. • <u>ITAP</u> – More engagement between the AE and ITAP is needed. The AE should be given an opportunity to respond to the ITAP assessment of the project proposals, and if needed, to revise its proposal before Board review. • <u>Board</u> – Technical comments or questions from the Board should be responded to well in advance of final Board consideration. We need an iterative process of comment and response, similar to what was developed at B.10 for accreditation recommendations. Ideally, proposals should be provided to the Board at least six weeks before Board consideration. The Board would have two weeks to provide comments and questions. Then the AE and/or the GCF Secretariat would have another two weeks to respond, still permitting two weeks for all material (proposal, comments, and responses) to be available prior to Board consideration of the proposal. <p>Scaling: Complementing establishment of minimum benchmarks, the Board should consider the expansion of the use of scaling.</p>
<p>f.</p>	<p>Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding</p>	<p>Eligibility Criteria: To strengthen eligibility criteria, the Board should advance its work on developing minimum benchmarks. Eligibility should be based on performance/impact and not specify which technologies/approaches can be funded or not.</p> <p>Incremental Cost: Incremental cost should be operationalized at the GCF through providing the appropriate level of concessionality that will make a proposed activity viable. To do</p>

		<p>so effectively, however, clearer guidelines are needed from the Board on the financing package they expect to see brought forward, specifically 1) the level of concessionality it will accept for different types of proposals, and 2) co-financing guidelines.</p>
g.	<p>Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism</p>	<p>The Board should develop a redress mechanism that can be used prior to development of the full Independent Redress Mechanism (IRM). The Ethics and Audit Committee (EAC) drafted the Terms of Reference for the IRM, and seems the logical body to develop a stop-gap measure before the IRM is operationalized. We recommend the EAC develop an interim redress mechanism that can be considered at B.14, contingent on the status of the hiring of the head of the IRM.</p>
	<p>Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)</p>	<p>We suggest that the Secretariat make recommendations for how to integrate the common areas contained in B.11/11 paragraph (d) into the investment framework. Further, many of the areas in (d) including additionality of the proposed investment, sustainability of benefits, and ability to promote replication should be included as a part of the minimum benchmarks since these are fundamental to the project being a good use of GCF funds to achieve core objectives.</p>
	<p>Any other general comments/inputs</p>	<p>Holistic Approach: To strengthen and scale up the GCF pipeline, the processes of proposal <i>development</i> and proposal <i>approval</i> should be evaluated holistically with the aim to make all stages efficient and effective. The GCF should be mindful of how the proposal cycle contributes to: (1) <u>time and cost</u> to develop and implement proposals; (2) <u>quality</u> of proposals produced (both technical design and projected impacts); and (3) ability of the process to ensure proposals <u>comply</u> with GCF policies. We request that the review focus on these areas as the key indicators of optimizing the proposal approval process, establish a quantitative or qualitative baseline for each and present the background information supporting those baselines, and when presenting recommendations for improving the proposal approval process, discuss how the recommendations impact these three key characteristics of the process.</p> <p>Program Approval: We recommend that the Board consider key aspects pertaining to the approval of programmatic approaches in the context of the project approval process. <u>Of particular relevance to the review process are the following:</u></p>

	<ul style="list-style-type: none"> • <u>Definition</u> – The programmatic approach has not been defined by the GCF Board. Adapting the GEF’s definition, we suggest the programmatic approach at the GCF be considered as <i>“an overarching vision for change that generates a series of interconnected projects under a common objective, and whose anticipated results are more than the sum of its components. Its individual yet interlinked projects aim at achieving large-scale, sustained impacts to promote the paradigm shift towards low emission and climate-resilient development pathways in the context of sustainable development.”</i> • <u>Rationale for Use</u> – A program should only be approved when there is a strong rationale that a programmatic approach will enhance outcomes of GCF investments relative to a project-based approach. Additionally, there must be strong support from key stakeholder groups, and there should be very clearly defined measurable outcomes that unite all program sub-projects. The funding proposal template must reflect these requirements. • <u>Approval of Programs</u> –We support an approach where a program of activities is approved by the Board, but subsequent Board approval is required for each project once they are fully specified. This is the <i>de facto</i> approach taken for the IDB green bond program and is also consistent with what the GEF is doing. The approach provides the benefits of a programmatic design, but also provides the Board with enough information to exercise sufficient oversight (e.g., domestic policy priorities and requirements, meeting safeguards). We would oppose any approach that oversimplifies the application process and does not require up-front documentation to demonstrate attention to the GCF’s environmental and social safeguards. • <u>Timing</u> – Sub-project proposals should be submitted to the Secretariat within a specified period after the Board approval of the programmatic approach framework. We recommend that the period be selected based on the program specifics taking into account the diversity and number of sub-projects and relevant stakeholders. Ideally, as in the IDB green bond program, the first sub-project could be submitted to the GCF Secretariat and the Board for consideration along with the project framework document. Following the precedent of the IDB green bonds program and three RFPs, we support “allocating” funds to project frameworks, but not approving funding fully until the individual sub-projects approved by the Board. Programs should be utilized only when there is
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		clear evidence that it will improve the GCF's impact, and even then, each project needs to be vetted separately.
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XXX. Submission from Secretariat of the Pacific Regional Environment Programme (SPREP)

<p>Full Name Title: Mr Simon Wilson.</p> <p>Position Organization/Affiliation: Climate Finance Adviser, Secretariat of the Pacific Regional Environment Programme</p> <p>Contact details including telephone and e-mail address: simonw@sprpe.org +685 21929 (ext 346)</p> <p>Organization's Focal Point (name, surname and position). As above</p> <p>Comments below provided on behalf of SPREP, a direct Access Entity for Pacific SIDS.</p>	
Elements for review	Comments/inputs
<p>a. Strengthening and scaling up the GCF pipeline, including the country programme pipeline</p>	<ul style="list-style-type: none"> • The time delay in approving Readiness AA4 (5 months in SPREPs case) compromises the development of project pipeline, and serves as a disincentive to seek future AA4 grants (which are relatively small and low risk). • A clear link between AA4 and PPF needs to be established, so that there is clear pathway from a project idea/priority – concept development – technical development etc. The board member suggestion that that project or programme ideas initially generated for a country through readiness activity area four could then be submitted to the PPF for additional funding and further development is worth elaborating. A clear pathway along these lines would be good. • A programmatic approach could be achieved through activation of Enhanced Direct Access. An EDA programme could require that an AE apply for EDA with a commitment/detailed plan to deliver a certain number of projects (\$) within a timeframe. This would provide predictable forecasts of project delivery. EDA is considered a very efficient and effective approach, for direct access regional organisations like SPREP. • There has been no call targeted for proposals from the Secretariat yet. I think a call would attract interest and encourage collaborative/programmatic proposals from within the Pacific
<p>b. Streamlining and improving the transparency of the proposal approval process</p>	<ul style="list-style-type: none"> • SPREP has previously provided feedback on a streamlined concept/proposal template/process. We look forward to the Secretariats analysis of the feedback. • SPREP supports a 'fit for purpose' concept/proposal process, perhaps starting with a simplified, less burdensome process for Micro projects. • SPREP suggests the GCF Secretariat establish a project case manager, and a feedback log template, so that feedback from the GCF is clearly documented and AE response to feedback can be tracked. Such an approach seems to be used sporadically by GCF.
<p>c. Defining further decision-making options, including deferral of proposal approvals</p>	<ul style="list-style-type: none"> • Where a proposal is not approved on the basis of insufficient supporting technical detail, the GCF Sec/Board could conditionally approve the proposal on the basis that a first step will be delivery of required technical studies, drawing on AA4 or the PPF. By integrating the AA4/PPF into conditional approval, the AE/country has greater confidence in the future of the project proposal and it cuts down on administrative processes.



d.	<p>Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary</p>	<ul style="list-style-type: none"> • The practical purpose of the Concept note stage needs to be clarified. Experience to date is that the Concept note is not providing a platform for genuine feedback and guidance, prior to moving towards investment in the full proposal development stage • It could be useful to introduce a Pre-Concept review / checklist, which tests the suitability of the idea, before moving to Full Concept. A pre-concept review should be low burden quick, and provide the AE/Country with broad advice on the feasibility of the project with the GCF • The Concept itself could then be used for something a little more formal, where the GCF Secretariat could provide conditional endorsement. Based on conditional endorsement the AE/country moves to Full Proposal, meeting the conditions set out in the Concept review. This would take emphasis of the need for a completeness check at the Full Proposal stage, because all requirements are set out at the Concept review stage • The TAP could be integrated into the Concept conditional endorsement process.
e.	<p>Supporting the Board to make decisions regarding funding proposals</p>	<ul style="list-style-type: none"> • The board should be able to approve proposals based on review against a simple rubric/matrix criteria. I can see there is a heavy reliance on narrative descriptions which may be hard for the board to work through. A rubric including performance against investment criteria, risk, country need, ESS/gender management etc. should be sufficient for the board to decide.
f.	<p>Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding</p>	<ul style="list-style-type: none"> • SPREP supports developing indicative minimum benchmarks. • SPREP supports introducing a risk criteria, which would allow for easier decision making on low-risk (low cost) projects. • Any criteria on incremental cost should take into account SIDS (negligible) contribution to global warming, and hence the net (potential) cost borne by them.
g.	<p>Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism</p>	<ul style="list-style-type: none"> • SPREP supports the proposed approach to establishing a re-dress and interim re-dress mechanism
	<p>Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)</p>	<ul style="list-style-type: none"> • While the rolling submission process is good, establishing transparent timelines around deadlines for proposals to be considered for respective board meetings is useful. The Adaptation Fund does this, for example. • Similarly, the GCF should have a transparent and defined service policy on timeframes for the provision of feedback and decisions on Readiness Requests, Readiness Proposals, Concept and Full Proposal processes. It has been a bit of a 'black box' experience to date. •



	Any other general comments/inputs	
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XXXI. Submission from NDA/Focal Point of Kiribati

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<ul style="list-style-type: none"> - Strengthening the scaling up of the GCF pipeline is supported and will assist countries to better position their applications under the GCF. - The Project Preparation Facility (PPF) will provide the required support to both accredited entities and NDA's in proposal development. It is suggested that the relationship between the AE's applying for support versus NDA's applying for support under the readiness programme be clearly defined. - Should an accredited entity make a direct submission to the GCF for PPF support, it is suggested that the application be formally supported through the NDA in the first instance. - It would be beneficial that if a NDA seeks readiness support to assist with pipeline development, that it uses this opportunity to define whether an intervention is best suited to a project approach or whether there are sufficient interrelated interventions that would benefit from a programme approach. - It is agreed that further guidance should be developed on defining criteria or guidelines for programmes to assist accredited entities or NDAs who are planning direct access. - It is recommended that any new guidance and procedures should be simple and easily followed and implemented by NDA's or AE's
b.	Streamlining and improving the transparency of the proposal approval process	<ul style="list-style-type: none"> - The suggestions provided by the board to streamline the approval process by not requesting the resubmission of information already provided by AE's during the accreditation process will reduce the amount of paper required and information that would have already been submitted earlier. This suggestion is supported and would lead to efficiencies as well. - In terms of para. 41. the suggestion by a board member for the Secretariat and AE's to be given the opportunity to respond to technical comments from the TAP before it goes to the Board for final decision – this approach may streamline the process, provided that it results in an approval of the proposal by the Board. However, if the Board does not approve the proposal, then the Secretariat and AE's may have committed time and resources that result in a proposal not being approved. - If a proposal is assessed by the Secretariat and TAP that may require actions that can be addressed during or just before project implementation, then it may be more efficient and streamlined to progress the proposal and all assessments to the Board for a decision. - Based on the above point, it is recommended that, perhaps it may be an opportunity to develop guidance on when comments from the TAP and Secretariat should be returned to the AE for further clarification or amendments to their proposal before it goes to the Board for a decision.
c.	Defining further decision-making options, including deferral of proposal approvals	<ul style="list-style-type: none"> - The proposed fourth option of decision deferral and resubmission to the Board may be useful. Further information or articulation would be needed on whether it would be the Board that would reassess a resubmitted proposal or whether the Secretariat or TAP would make a further assessment of the resubmitted proposal before making further recommendations to the Board for a decision.



		<ul style="list-style-type: none"> - Some consideration would be required on how such a decision is communicated to the general public as there may be sensitivities of how this may reflect on a country or AE. Some sensitivity around this may be needed.
d.	<p>Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary</p>	<ul style="list-style-type: none"> - The suggestion to include a 2 step approval process for a concept note is not supported. This would create delays as the concept is only that – a concept. It should only be used as the basis to ensure that the conceptualized note is inline with the GCF requirements and is supported by the NDA to ensure alignment with country priorities. - Concept notes may benefit from TAP assessment and would provide project developers with a clear assessment of the concept note strengths and weaknesses that they could utilize when developing detailed designs. This would only strengthen the quality of the detailed proposals as the GCF would then be receiving proposals of a very high quality. - In addition to the above, an assessment by the TAP on a concept note may provide an indication to the AE or country as to whether a full detailed design should be undertaken or whether further consideration is required to a project approach. This would benefit a country or AE by reducing the amount of time and resources in full proposal development, particularly if indications are that a new approach or investment in a different area is the better option to explore. - Having the TAP assess a concept note may also be beneficial in terms of determining whether a feasibility study should be undertaken as part of the full design process or whether a PPF should be undertaken. Ofcourse, the decision to undertake these would be determined by an AE or NDA, however, the assessment would assist in the process. - For a small island such as Kiribati, TAP engagement during concept stage would be of significant benefit before going into detailed proposal design, given the limited resources available. - To alleviate the concern of the members of TAP on its involvement at the concept stage, it is suggested that the GCF consider its role to ensure that the TAP can remain independent throughout the proposal process.
e.	<p>Supporting the Board to make decisions regarding funding proposals</p>	<ul style="list-style-type: none"> - The Board making decisions in accordance with the approved set of frameworks and policies, in addition to its strategic plan under development is supported.
f.	<p>Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding</p>	<ul style="list-style-type: none"> - The strengthening of project/programme eligibility criteria by developing indicative benchmarks is supported to ensure a robust system is in place. - It is important however, that any benchmarks that are proposed take into consideration Small Islands Developing States and Least Developing Countries, so as not to create difficulties in the ability of the most vulnerable countries to meet these benchmarks and criteria, in addition to meeting the 6 criteria already in place.
g.	<p>Developing interim procedures for redress pending the recruitment of the head of the</p>	<ul style="list-style-type: none"> - The development of interim procedures for redress are supported, if required, ahead of the recruitment of a substantive head of the independent redress mechanism.



	independent redress mechanism	
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	<ul style="list-style-type: none">- No further comments.
	Any other general comments/inputs	<ul style="list-style-type: none">- Accessing information on the GCF is extremely difficult when using the GCF website. The website is not particularly designed for ease of access and information is overloaded with documents and information. Internet connectivity is an issue in small islands such as Kiribati. For eg. When going int “Ventures”, then “Get Funded”, there is no information on what funding envelopes are available and how one can actually apply for the various windows of funding. There is a link to “Fine Print” within get funded which is supposed to provide more information on how to apply for funding amongst the various funding envelopes but it inundated with documents and decisions of the board. All these documents need to be downloaded and this makes it very difficult where internet is slow.- While the current website looks great with all the images, it takes a very long time to load where internet is slow. A suggestion is that a mirror website that uses basic html and less images for quicker loading would be helpful where internet access is slow.- It is suggested that the website content be reviewed and made simpler for easier access and understanding.

XXXII. Submission from Ms. Sally Truong, alternate member from Australia

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<p>Australia welcomes the opportunity to submit comments on the review of the initial proposal approval process in accordance with Board decision B.12/23.</p> <p>The quality of the Green Climate Fund (GCF) pipeline will be a key determinant of the effectiveness of the Fund.</p> <p>Australia recognises that generating a strong pipeline of high quality projects and programmes for the GCF, including at the country level, will require a significant and concerted investment of time and resources by a range of stakeholders, including accredited entities, national designated authorities (NDAs) and focal points, and delivery partners.</p> <p>In its initial stage of operationalisation, the GCF has an opportunity to establish itself as a fund with a streamlined and comprehensive proposal approval process, which will facilitate the emergence of a strong pipeline.</p> <p>It will be important for the review of the initial proposal approval process to consider whether the process adequately balances the GCF's objectives to promote a paradigm shift towards low-emission and climate-resilient development pathways in developing countries, as well as its ambition to approve a volume of funding proposals commensurate with its funding approval targets.</p> <p>Australia considers it important for the review to also consider how the GCF's various processes work together to develop the Fund's pipeline, including the country programme pipeline. This work will require considering how the Readiness and Preparatory Support Programme and the Project Preparation Facility complement the initial proposal approval process.</p>
b.	Streamlining and improving the transparency of the proposal approval process	<p>Under the initial proposal approval process, a significant investment of resources and time is required to complete the requirements of the full funding proposal template, with little certainty for accredited entities that the proposal will proceed.</p> <p>To provide a sense of business certainty for all the stakeholders invested in the process, Australia considers it necessary for the review to outline options for streamlining and improving the transparency of the initial proposal approval process. Based on the feedback received to date from the seven accredited entities that received approval for funding in November 2015, a considerable amount of time and expenses were required to satisfy each step of the initial proposal approval process.</p>



		<p>The initial proposal approval process currently consists of the following steps:</p> <ol style="list-style-type: none"> 0. Country program (voluntary) 1. Generation of proposals 2. Concept development through a concept note (voluntary) 3. Submission of a funding proposal (through a funding proposal template) and subsequent completeness check by the GCF Secretariat 4. Second-level due diligence by the Secretariat – analysis and recommendation to the Board; independent assessment by the independent Technical Advisory Panel 5. Board decision 6. Legal arrangements <p>Australia sees a particular need to provide clarity on the element of step 4 of the process relating to the “second-level due diligence” carried out by the Secretariat to ensure transparency and consistency of the analysis performed by the Secretariat. In the absence of clarity, funding proposals will be subject to different diligence checks in line with different approaches. In light of this, Australia recommends that the review presents options on the guidance the Board could provide on further defining “second-level due diligence by the Secretariat”.</p> <p>To further streamline the process, Australia finds it essential that the GCF makes the appropriate links between its existing policies and processes to avoid duplication. In particular, information provided by accredited entities during the accreditation process should not be requested during the proposal approval process, the accreditation master agreement, or the funded activity agreement.</p> <p>With regard to transparency, Australia sees the Board’s decision (paragraph (h), decision B.11/11) to include the assessment of the independent Technical Advisory Panel of each funding proposal as part of the documentation published on the GCF website, as a fundamental step in the process.</p> <p>Australia proposes that the review of the initial proposal approval process include a section on the programmatic approach. To date, submissions of programmes as funding proposals have been assessed on an ad hoc basis. To provide certainty on the process, it will be necessary for the review to consider how the GCF can provide clarity to accredited entities and NDAs and focal points on what is required from programme submissions, including consideration of how the full funding proposal template could be tailored for programmes.</p>
c.	Defining further decision-making options, including deferral of proposal approvals	<p>Australia suggests that the review puts forward options for further decision-making on funding proposals, including deferral of proposal approvals.</p> <p>In accordance with the Governing Instrument, Australia affirms that the Board will take all funding decisions. To complement this, Australia sees</p>



		<p>the potential in exploring further options for decision-making on proposals, particularly in relation to the concept note stage of the initial proposal approval process, noting that the review will consider how the concept note stage could form part of a two-step approval process.</p>
d.	<p>Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary</p>	<p>Designing a proposal from the ground-up can be a resource intensive, multi-stage process, reliant on quality analysis and input from multiple stakeholders, noting that all investments can benefit from a wide range of perspectives.</p> <p>Australia suggests that concept notes could work within a two-step approval process, consisting of a concept approval stage and a final approval stage.</p> <p>Such an approach could require accredited entities to submit a concept note similar to the current concept note template without requiring pre-feasibility studies, economic analysis, safeguards and several other items that are not likely to be available at the concept stage. The Secretariat would screen the submitted concept note for completeness and consistency with the Fund's criteria, and submit it to the independent Technical Advisory Panel – this would be the stage where the Secretariat and the independent Technical Advisory Panel could influence the design, as the proposal is still at the draft stage and no commitments or expectations have been raised among communities or other stakeholders.</p> <p>In Australia's view, the review will need to take account of how concept notes are part of an inclusive process where the Secretariat and the Board are involved from initial planning through to finalisation, including options on the mechanism through which the Board engages with concept notes.</p>
e.	<p>Supporting the Board to make decisions regarding funding proposals</p>	<p>To support the Board in making decisions on funding proposals, Australia considers it essential that the Secretariat provides a regular, detailed update on the GCF's pipeline, which would serve several important purposes.</p> <p>An effective update would alert the Board of the funding proposals that could be expected for its consideration and serve to set and manage expectations for Board meetings. It would also allow the Board to make policy adjustments if the process in a timely manner if the process is not delivering the proposals required in terms of quality, quantity, and value.</p>
f.	<p>Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding</p>	<p>Australia upholds that strong design is built around a clear logic that sets out the links between the outcomes sought, activities and implementation arrangements, and how success will be defined and measured. It takes context into account, involves meaningful engagement with all stakeholders and is informed by evidence and analysis.</p> <p>On incremental costs, Australia proposes that the review considers the categories of incremental costs eligible for funding, in particular for adaptation projects and programmes. Australia suggests that the review consider how incremental costs are addressed in other multilateral funds, including the Global Environment Facility (GEF).</p>



g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	<p>On the requirements of the full funding proposal template, Australia considers it important, in the case of micro and/or small proposals, to make allowances in relation to data requirements, particularly in the case of Least Developed Countries, Small Island Developing States, and African states, where data may not be available.</p> <p>Australia draws attention to the relevance of the work of the Accreditation Committee and the Board on the GCF's strategy on accreditation for the review of the initial proposal approval process. The strategy on accreditation will outline how the GCF will work with accredited entities, including through developing work programmes and funding proposals.</p> <p>Australia highlights the need for the GCF, as a continuously learning institution, to draw upon lessons learned and actively seek the views of all interested parties to improve the Fund's processes, including the proposal approval process through ongoing dialogue with: members and alternate members of the Board, accredited entities, delivery partners, NDAs and focal points, the independent Technical Advisory Panel, and civil society organisations.</p> <p>Australia recommends that the review is informed by the respective proposal approval processes of established multilateral funds, including the GEF, the Climate Investment Funds, the Adaptation Fund, the Global Fund to fight AIDS, Tuberculosis and Malaria, and the Least Developed Countries Fund.</p> <p>Australia notes that the review of the initial proposal approval process will need to take account of the outcomes of the Board's consideration of the simplified processes for approval of proposals for certain activities, in particular for small-scale activities, which is an element of the proposal approval process.</p>

XXXIII. Submission from Association pour l'Intégration et le Développement Durable au Burundi (AIDB Burundi)

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	In the element "a" the GCF must integrate the Civil society organizations and the indigenous peoples in the all level of the GCF program implementation
b.	Streamlining and improving the transparency of the proposal approval process	This is very necessary to set up the mechanisms to created the partnership between the indigenous peoples organizations, the community of the indigenous peoples and the platform of the Civil society organizations in international level. In the national level, you have to create the national steeling committee which includes the indigenous peoples member to review the project . the working group of the indigenous peoples to review the program regarding the issues of this community is very necessary in the high level etc.
c.	Defining further decision-making options, including deferral of proposal approvals	In the selection of the project, it is very good to incorporate the indigenous peoples in the all levels of the projects selection until to national level. It is also important to accept and support the projects of the indigenous peoples for security food , adaptation and mitigation to the climate change etc...
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	It is very important to focus all project on the UN convention and the national policies for having positive impact. I ask for to incorporate the issues of the indigenous peoples in the priority for the governments.
e.	Supporting the Board to make decisions regarding funding proposals	It very good to consult all stakeholders for approving the proposal. And to see if every proposal considers the problem of indigenous peoples.
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	It is okey to check if the projects have involved the local population and if all needs are considers for this population.



g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	You can set up the office of independent expert included the indigenous peoples for all countries choice by the observers organisations of GCF
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	Non comment
	Any other general comments/inputs	It is very important to support the indigenous peoples leaders to attend the GCF meeting. Because their organizations are not able to support it.

XXXIV. Submission from United Nations Environment Programme (UNEP)

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	The investments necessary to develop quality GCF proposals are substantial; please consider availing a project preparation facility to international accredited entities on the basis of cleared concepts, so that we can properly invest in project development.
b.	Streamlining and improving the transparency of the proposal approval process	<p>There is only one project concept and one project proposal template. This does not seem to match the ambitions of the GCF's fit-for-purpose accreditation approach, which allows for three different types of accreditation (project management, grant award and on-lending/blending), at four different sizes and to three different risk categories. It doesn't make sense to have to provide the same information for an under 10 million USD low-risk project and a high risk 500 MUSD lending scheme. Consider developing additional templates that are tailored to various risk and ambition levels.</p> <p>Developing and adhering to common business standards would be helpful, including:</p> <ul style="list-style-type: none"> • clear timelines for the various stages of the submission process, e.g. GCF responses to: concept note submissions, concept note resubmissions, funding proposal submissions, funding proposal resubmissions etc. • a fixed maximum number of rounds of review sheets with a system for tracking the review comments and how these have been addressed, so as to avoid reintroducing the same comments at various points in the process <p>The review process could be made more transparent, including sharing non-confidential information with stakeholders to learn from each other and identify common stumbling blocks in the proposal approval process</p> <p>It would be helpful for the GCF to have a system of tracking GCF funding accessed per country, and per AE. This could help manage expectations, reduce duplication and inform the decisions to be made by AEs to support countries in developing proposals.</p>
c.	Defining further decision-making options, including deferral of proposal approvals	--



d.	<p>Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary</p>	<p>The GCF project development process is time consuming and costly. For accredited entities to justify these up-front investments, the approval of a concept should give the accredited entity a legitimate expectation of the project being funded down the line. This could be achieved through the Board approving concepts, rather than full proposals, which could be cleared by the GCF Executive Secretary. The high level of detail required already at the project concept stage supports this sort of arrangement.</p> <p>A clearer differentiation should be made between concept notes and funding proposals. As it stands, project funding proposals require only a few more details than concept notes. Clarification, for example, on expectations of pre-feasibility and feasibility studies would be helpful. A 'User's Guide' for funding proposals (similar to the Concept Note User's Guide) would be appreciated.</p> <p>In order to facilitate approval of funding proposals as quickly as possible after the accreditation of an IE, the GCF should consider reviewing concept notes submitted by IEs that are undergoing accreditation even if they are not yet accredited by the time of submission of a concept note. This approach can save time and allows the future IE to prepare the necessary processes for project implementation early on.</p>
e.	<p>Supporting the Board to make decisions regarding funding proposals</p>	<p>The GCF board should provide more clarity on the amount of information required in a concept and in a funding proposal including pre-feasibility and feasibility studies and financial models. Clarity on issues such as project baseline, Co-finance, and programmatic approaches is also needed. Again, a project development manual would facilitate understanding.</p> <p>With guidelines in place, then efforts could be made to develop and disseminate a scoring rubric for projects. If the Board makes its project evaluation criteria transparent and public, (including minimum threshold requirements for each criteria) then accredited entities will quickly adapt their proposals accordingly.</p>
f.	<p>Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding</p>	<p>The differences and boundaries between the types of accreditation are not always clear (e.g. project management, grant award, on-lending / blending). This should be clarified in guiding documents.</p>
g.	<p>Developing interim procedures for redress pending the recruitment of the head of the</p>	<p>--</p>



	independent redress mechanism	
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	--
	Any other general comments/inputs	<p>To support the readiness of NIEs and thereby the GCF project pipeline, the GCF should consider simplifying the requirements of their legal agreements to enable the GCF Sec to enter more easily into umbrella readiness agreements with delivery partners. The possible negative effects of readiness work are in any case marginal, so liability concerns should not delay or block these agreements.</p> <p>A guidance manual clarifying expectations in the project formulation process would be helpful. Also, consider disseminating, or including in the guidance, examples of best practices for different sections and annexes of the funding proposal template.</p> <p>Consider facilitating periodic exchanges (workshops, webinars etc) amongst accredited entities and NDEs for sharing lessons learnt and experience from the formulation of the first generation of GCF projects.</p>

XXXV. Submission from Mr. Aliioaiga Feturi Elisaia, Board member from Samoa

Ever since the Transitional Committee, SIDS have advocated for the GCF to apply more streamlined and efficient project application and approval processes than existing climate funds to expedite the disbursement of resources in line with the urgency of climate change.

As mandated by the Fund’s Governing Instrument, this streamlined regular approval process should further be simplified for small-scale activities in such a way that takes into account the capacity constraints of small countries.

Before providing comments in the template below, it is therefore important to note that the strengthening of the GCF project pipeline depends on the streamlining of several interrelated issues that are all crucial for enabling access by entities from SIDS and other small economies to the Fund:

- Readiness support under the readiness and preparatory support programme
- Project preparation support under the Project Preparation Facility
- Simplification of the approval process for small-scale activities as mandated by paragraph 53 of the Governing Instrument
- Revision and streamlining of the funding proposal template and concept note template in such a way that facilitates the application process
- Strengthening of the role of concept notes in the project cycle, in particular for small-scale activities, to provide submitting entities with a level of guidance and certainty in their development of the fully-fledged funding proposal to the GCF.

Board decisions on these interrelated issues therefore have to be considered and adopted in a streamlined and consistent manner.

Elements for review		SIDS Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<p>To strengthen and scale up the GCF pipeline, the GCF should promote and support the development of country-owned and high-quality projects through:</p> <ul style="list-style-type: none"> • proactively seeking outreach to NDAs and RIEs/NIEs to invite the submission of country programmes and concept ideas (country programmes should not be too complicated); • simplifying access to the readiness programme and accelerating the disbursement of readiness grants through the conclusion of grant agreements • availability of readiness resources on an ongoing basis • accelerating progress especially on activity area 2 and 4 to expand progress from strengthening of NDAs and accreditation support to include also the development of country programmes and project pipelines • quickly operationalizing and adequately resourcing the project preparation facility <p>The Board, advised by the Secretariat, should use the concept notes that are submitted to the PPF as an opportunity to provide guidance to applicants on:</p>

		<ul style="list-style-type: none"> • whether a project concept has the potential to be developed further into a transformative project that is in line with the Fund’s mandate, initial result areas and investment framework, and • what should be taken into account in the further development of the project. <p>This would also increase the transparency of the approval process in contrast to a situation in which the Board only is presented with a final, fully-fledged proposal whose preparation has already required a lot of resources from the applicant and the Secretariat/TAP.</p>
b.	Streamlining and improving the transparency of the proposal approval process	<p>In addition to strengthening the role of the concept notes, especially for small-scale activities, the transparency of the GCF approval process should be improved by providing the Board (and/or making publicly available) with access to the entire pipeline of projects, proposals and concepts, including information on submitting entity, name and short description of project, funding amount requested, date of submission, and status of application.</p> <p>The Adaptation Fund can serve as a model for this practice, as it provides information on all funded projects, pipeline projects and programmes, endorsed concepts and proposals under review.</p> <p>NDA and RIEs/NIEs should be able to access information on the status of their respective projects.</p>
c.	Defining further decision-making options, including deferral of proposal approvals	<p>Introducing a fourth decision-making option of deferral certainly has some value. In Zambia, the Board was faced with the challenge of having to either approve or reject a proposal although it did not have all the relevant project information, e.g. on the project’s specific climate relevance or on the conduction of stakeholder consultations. Deferral would enable the Board to request further revision of a proposal for it to better demonstrate its compliance with the investment criteria.</p> <p>However, the Board can already apply the conditional approval and made use of it during the Zambia meeting. Therefore the option of deferral should only be applied on an exceptional basis, in cases where even a conditional approval still leaves questions as to whether the project is in line with the Fund’s objectives and criteria.</p> <p>Through strengthening the role of the concept notes in the approval process, the option of deferral would also become less necessary.</p>
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	<p>Concept notes should work within approval process as a tool to inform the Board about the status and evolution of the pipeline (see also comments on a., b. and c.).</p> <p>Especially for small-scale activities, a first stage of approval of a concept note prior to fully preparing a project proposal is critical for providing (direct access) entities with guidance on which project concepts are worth to invest their scarce resources into costly project development. These entities therefore need certainty and guidance through an initial assessment of the concept note that the project, if developed further, has potential to fulfil the Fund’s investment criteria. This should be coupled</p>



		<p>with the opportunity to access funding from the PPF that is also targeted at small-scale activities.</p> <p>Currently, many concept notes especially from direct access entities do not progress from concept note to proposal stage.</p> <p>The Secretariat needs to be adequately staffed to engage with entities also after their accreditation in a coordinated and transparent manner to assist in progressing concept notes.</p>
e.	Supporting the Board to make decisions regarding funding proposals	The Secretariat should facilitate exchange between the project proponent and the TAP and/or Board where possible to resolve any arising questions as soon as possible and strengthen quality of proposals.
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	<p>The eligibility of a project for GCF funding should be assessed through the project's performance against the Fund's objectives and investment criteria, the risk management framework and the initial result areas.</p> <p>In addition the Board could consider defining an exclusion list to provide more clarity what activities are not considered as compatible with the Fund's mandate and objectives</p>
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	It is important that the interim arrangements are adopted at B.13 and the detailed guidelines will be adopted at B.15, as per the adopted work plan.
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	

XXXVI. Submission from International Union for Conservation of Nature (IUCN)

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<p>More details are needed on the feature related to the “GCF call for proposals” that the Fund could launch.</p> <p>In order to save time and resources, and avoid partners investing in the preparation that will not fit countries priorities, it will be important to have a facilitated access to the strategic priorities selected by countries as part of their readiness programme in the first years of operations of the GCF. After that, a process of having countries priorities communicated in a transparent way will have to be established so partners can invest in selected strategic projects.</p> <p>Communication between the Fund and eligible entities technical teams on their comparative advantages and the sectors / areas where they seem to be relevant will help in ensuring entities are focused on relevant areas (geographic and thematic) of the GCF.</p>
b.	Streamlining and improving the transparency of the proposal approval process	<p>At both concept and proposal stages, the project will be reviewed according to specific criteria. Each time, the project will be reviewed according to the GCF investment framework. The same template should be used and shared with the Entity and the NDA in order to ensure consistency.</p> <p>Enabling entities to have access to a platform in order to follow the approval process could provide the opportunity for entities to follow the process of their proposal.</p>
c.	Defining further decision-making options, including deferral of proposal approvals	<p>It is appropriate to have differentiated approval procedures by the Board. However, it will be important to define clearly the criteria for selecting the proposals that will be reviewed through the entire project cycle approval process, and the ones linked to the more streamlined approval process (eg: no-objection by Board). Knowing up-front at the very early stages of development which process (full or streamlined) a proposal will be eligible to will facilitate agencies tasks in managing their own internal review process.</p>
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	<p>TAP is not yet included in the figure showing the key stages for approval page 4. It should be clarified at which stage TAP is expected to intervene.</p>
e.	Supporting the Board to make decisions regarding funding proposals	<p>In paragraph 35, it is mentioned that the Board decision for funding a proposal will be informed by the Secretariat’s recommendation. It is unclear if the entity submitting the project will have the opportunity to respond directly (including electronically) to possible Board comments.</p>



f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	Incremental cost reasoning is a key criterion of the GEF but it is not mentioned as one for the GCF. Clarity on whether incremental cost will be used as a criterion for selecting projects needs to be done. If this was the case, the GCF should clarify the definition of such a notion in the sake of transparency and in order to reduce misinterpretations.
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	No comments
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	No
	Any other general comments/inputs	No

XXXVII. Joint submission from NDA/Focal Point of Ethiopia and the Ministry of Finance and Economic Cooperation (MOFEC)

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<ul style="list-style-type: none"> • Ethiopia is yet to submit its first set of proposals hence has not gone through a proposal review process to provide first hand information of its experience in this regard. • However, we believe that a strong guidance is required from GCF on what the development of a project/programme for GCF entails. For instance, the proposal development template does not give clarity on the need to develop detailed feasibility studies for projects. Hence, this was not taken into account in our initial proposal development process. • This has also had impacts on the planning and resource allocation processes for the development of these pipeline projects. • In addition, it is important to provide detailed proposal guidance note, which can be used as a reference during proposal writing. • It is necessary to provide adequate explanation under each section and sub-section of the proposal template. • It is better to indicate page limits section by section instead of saying, “the proposal shouldn’t exceed more than 50 or 53 pages”
b.	Streamlining and improving the transparency of the proposal approval process	<ul style="list-style-type: none"> • Our main challenge here was the lack of information on the requirements for the detailed feasibility studies to be developed in preparing a project. • While we understand that a feasibility study is context and discipline specific, it will still be good to develop a generic template of what is required from a feasibility study and how this should be addressed. • There has to be clear division of task in terms of review appraisal between the secretariat and the independent TAP. This helps to avoid duplication and overlap between the panel and the secretariat, which also speeds up the project approval process. • It is better to assign TAP who understands the specific circumstances of the benefiting country and region. • The development of a ‘how to’ document on project/ programme development for GCF which is publicly available is essential
c.	Defining further decision-making options, including deferral of proposal approvals	-
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	<ul style="list-style-type: none"> • This is particularly critical • Also while the options are left for countries to pursue – important to further elaborate why concept note submission and the associated feedback is important • Also important to look into an advisory support of the GCF to help countries in the preparation of concept notes. This can be created through online resources or networking with other NIEs to exchange experience. Direct advisory support of GCF is also important. • Facilitating NDA/NIE – TAP dialogues is also very important.



e.	Supporting the Board to make decisions regarding funding proposals	<ul style="list-style-type: none"> • It will be good to establish an advisory panel to the Board, which will ensure the competency and neutrality of the independent TAP as well as address complaints, which an accredited entity may file in relation with review and appraisal process and conclusions by the TAP
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	<ul style="list-style-type: none"> • This is quite important as the clear listing and articulation of categories of incremental costs eligible – will make the proposal development process easier. • Opportunities for dialogue on this should also be open.
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	<ul style="list-style-type: none"> • We believe this is important as a grievance redress mechanism or procedure should be in place. • There are already a number of grievance redress aspects stipulated in the GCF accreditation requirements and this can be a good starting point to develop this procedure. • It is also essential to have in place the head of the independent redress mechanism
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	-
	Any other general comments/inputs	We believe that a strong guidance is required from GCF on what the development of a project/programme for GCF entails. As a starting point the development of a 'how to' document on project/ programme development for GCF which is publicly available is essential.

XXXVIII. Submission from Ms. Caroline Leclerc, Board member from Canada

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<p>To support more efficient pipeline development, there is a need to establish clear guidelines on the Fund's approval process, including defining all decision-making options and procedures, as well as clear roles for the ITAP, the GCF Secretariat, AEs, NDAs, and Board Members.</p> <p>The Board could delegate authority to approve Project Preparation Facility funding to the Secretariat based on an appropriate review and an initial assessment against the investment criteria and a justification of need.</p>
b.	Streamlining and improving the transparency of the proposal approval process	<p>To streamline Board consideration of project proposals, the GCF should also consider adopting a work plan approach, similar to the GEF's.</p> <p>Similarly, the use of "Investment Plans" at a project concept stage could also expedite the Board's consideration of projects that form part of approved Investment Plans.</p> <p>Canada also supports increased transparency throughout the project cycle. In particular, the proposal approval process should be made clear and publically available, and ITAP's assessment of funding proposals should be made publicly accessible. As well, AEs should be aware of the Secretariat and ITAP's positions in advance of Board meetings, so that they may prepare responses. Moreover, consideration should be given to focusing (narrowing) the Secretariat's role in project reviews, as per AFD's submission, to compliance and policy checks; the Secretariat's current role in the project approval process may duplicate ITAPs.</p>
c.	Defining further decision-making options, including deferral of proposal approvals	<p>The viability of inter-sessional approval by mail of GCF projects and the conditions for such approval should also be considered (e.g., project size or LDCs/SIDs recipients) – see Canada's written submission dated December 31, 2015 on the simplified process for approval of proposals for certain activities, in particular small scale activities. In this submission Canada suggested that if inter-sessional approval by mail is considered as a viable option, the simplified approval process should further consider how approval by mail on a non-objection basis would work in practice, before the Board considers approving this new process. In addition, in this submission Canada suggested looking into whether projects from LDCs and SIDs should be subject to a simplified proposal approval process.</p>



d.	<p>Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary</p>	<p>The GCF should take into account the proposal approval process at other similar organizations, notably the GEF and the CIFs. Like the GEF, the GCF Board and ITAP should see projects at an earlier, project concept, stage – whether as stand-alone projects or, as at the CIFs, as part of a country Investment Plan, which supports more integrated country pipeline development and consistency with national priorities. This would also support the strengthening of projects through timely feedback, for incorporation into project concepts as they are further developed into final project proposals.</p>
e.	<p>Supporting the Board to make decisions regarding funding proposals</p>	<p>Both stand-alone projects and projects that form part of an Investment Plan would need a final approval, once each project is fully developed. In terms of the appropriate level of approval, while at the GEF this is generally delegated to the CEO, given the larger range of project sizes at the GCF, consideration could be given to bifurcating the final approval as follows: Board approval for medium and large projects, as well as ones that are considered particularly risky and/or innovative (CIF-like model); and, ED approval of small projects (as per the GEF model).</p>
f.	<p>Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding</p>	
g.	<p>Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism</p>	
	<p>Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)</p>	



	Any other general comments/inputs	
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XXXIX. Submission from Bundesverband der Deutschen Industrie

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	
b.	Streamlining and improving the transparency of the proposal approval process	
c.	Defining further decision-making options, including deferral of proposal approvals	
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	
e.	Supporting the Board to make decisions regarding funding proposals	
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	



g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	It would be great if there could be a clause about financial support for active observers, especially in view of our experience with recruiting developing country candidates.

XL. Submission from Ms. Andrea Ledward and Ms. Kate Hughes, Board member and alternate member from the United Kingdom

Context

1. The UK recognises the need to improve the ease of access to Green Climate Fund (GCF) funding, and the transparency, consistency and efficiency with which decisions on GCF funding are made (cf. para. 53 of the Governing Instrument). Overall, the review should consider how the proposal approval process will deliver the objectives of the GCF as set out in the Governing Instrument.
2. With the adoption of the Board's aspirational investment target of \$2.5bn for 2016, the review should identify opportunities within the proposal approval process to accelerate the deployment of GCF resources, taking into account both the demand and supply sides of the funding process, while also maintaining transparency and quality of proposals.
3. The review of the initial proposal approval process should be consistent with interrelated review processes (for example, ongoing co-chair consultations regarding the simplified proposal approval process), as well as forthcoming Board discussions on the scope and functioning of the Project Preparation Facility, and operationalisation of the Fund's Strategic Plan.

Inputs for the review process

4. The review should consider all six stages of the approval process and try to identify opportunities as well as risks for increasing the number and the quality of proposals reaching the Board for decision. UK inputs to the review focus on 'process' elements of the approval cycle, and highlight opportunities for increasing transparency, efficiency and effective decision-making.
5. The review should identify and consider the bottlenecks in the approval process. One potential bottleneck that should be considered is the capacity of the Secretariat to progress and appraise a scaled up volume of funding proposals through the cycle, as well as the ITAP's capacity to appraise this volume of proposals (which could also be considered through the upcoming review of the ITAP).
6. One area where efficiency could be increased is in consultations between the Secretariat and Accredited Entities (AEs), specifically in relation to the amount and type of information requested by the Secretariat. It would be helpful to

publish common questions the Secretariat asks at each stage of the approval process. Making this information available would ensure consistency, promote learning, and enable AEs to clarify issues prior to submission, and improve the quality of proposals submitted. The Review should consider whether there is scope to reduce any potential duplication between the accreditation process and the project approval process. We would encourage the Secretariat to provide AEs with as much information as they can relating to the progression of submissions through the process, in a timely fashion. The Review could also consider options for improving transparency on Secretariat response times.

7. The UK is supportive of the voluntary concept note submission since it provides an opportunity for AEs to receive useful, early feedback from the Secretariat regarding concept alignment with the Fund's investment framework. Given the ITAP's existing obligations to review proposals, the Board should carefully consider whether it would be possible or useful to expand the ITAP's mandate to also include the appraisal of concept notes. As part of this review, it is also important to consider how to ensure the independence of ITAP, so that it remains impartial and able to objectively appraise funding proposals.
8. The Board has agreed an investment framework that signals to countries what the GCF Board is looking to support, and provides an objective and transparent means of enabling the Secretariat, ITAP and Board to appraise proposals. It is important that the funding proposal packages submitted to the Board clearly outline how proposals perform against the Fund's investment criteria. In this regard, the four elements of the proposal package described in B.12/Inf.05 (para. 20), could be supplemented with a succinct (one page) summary outlining the proposal and how it meets the investment criteria. The scaling methodology (to be reviewed annually) and minimum benchmarks (to be discussed at B.13) will, over time, further improve the quality of information submitted to Board members on funding proposals and enhance decision making.
9. To support the Board in decision making, the funding proposal packages should be circulated as far in advance as possible, to allow for adequate consideration and preparation by Board members, civil society, and other stakeholders. It would be helpful for the Secretariat to establish a process for receiving comments and questions from Board members, prior to meetings. This would help to inform the Secretariat when considering how to present proposals to the Board. Questions and comments could be circulated to all Board members in advance of meetings.

10. Regarding further decision making options, the UK is open to exploring the option to defer proposal approvals. It will be important for the Board to determine when “approval with conditions” would apply, and when “deferral” might be more appropriate, and the difference between the two. The Board should also consider the number of times a proposal may be deferred, and for how long a “deferral” decision would apply.
11. The review should consider when it would be appropriate to consider decision making on project proposals through between-meeting decisions. The UK recognises that the approval of funding proposals is a critical part of the Board mandate, and the Board has only recently considered and approved the first set of 8 proposals. It is likely that, by completing the consideration and approval of further proposals, lessons will emerge which will help to identify where the specific opportunities for improvement and streamlining lie. In due course it would be appropriate to consider criteria for the types of projects and programme that could be approved by a between-meeting decision (e.g. project size, risk category).
12. It will be important for the review to consult both AEs and NDAs to seek their views on opportunities for improving and streamlining the process, to increase the number and the quality of proposals reaching the Board for decision; and to draw on lessons learned from other funds.

XLI. Submission from Mr. Anders Wallberg, Board member from Sweden

- Sweden welcomes proposals to streamline procedures in regards to decision making processes at the GCF-fund.
- Sweden is supportive of a two-step approach, including the submission of a concept note as well as a final project proposal.
- Initial funding applications should be submitted as a concept note (clear guidance on the content of such a concept note needs to be provided by the Secretariat), which will trigger an initial response from the Secretariat as well as the TAP on whether the investment is in line with the Fund's goals and guidelines and potentially missing elements.
- Sweden strongly supports the possibility for LDCs and SIDS to seek funding from the GCF for project preparation and the submission of such concept notes. Funding for this purpose through the Project preparation facility and the Project Readiness Program should be streamlined into one facility.
- The review carried out by the Secretariat and the TAP should be guided by clear investment criteria, in line with the mandate of the fund to contribute to a paradigm shift through transformative action. Guiding principles should be climate impact (contribution towards low-emission and climate-resilient development pathways), scale, replicability and innovation.
- Related to this, the Board should treat as a matter of urgency the approval of an 1) updated investment framework including more detailed project assessment criteria as well as benchmarks and 2) the development of risk investment criteria in order to provide necessary guidance to the Secretariat for project assessment.
- Once these documents are in place, the Secretariat may want to consider procedures for the Board to decide on a work plan at each board meeting including all projects proposed for funding, rather than discussing individual projects one by one. Guidance for such procedures may be taken from other multilateral funds such as the GEF.
- The secretariat should be given authority to decide on micro-projects (up to ten million USD) without having to seek Board approval but may want to seek guidance from the Board on specific projects when so is deemed necessary (e.g. when clear guidance for complete project assessment is missing).
- Concept notes and final project proposals, including assessments made by the Secretariat and the TAP, should be circulated to Board members by email and made available online with the possibility for Board members and civil society to submit written comments. Final project proposals should be published at least three months ahead of a Board decision, in line with the Fund's Disclosure Policy.
- Concerns raised by one or several board members on a specific project may result in the project to be excluded from the work plan and deferred to future work plans once all concerns raised have been addressed.
- Finally, the Secretariat should treat the implementation of the enhanced direct access pilot as a matter of urgency. In the TOR for the pilot, the Board has already agreed that there will be no submission of individual projects or programs to the Fund because decision-making for the funding of specific pilot activities will be devolved to the country level. Possible necessary adjustments in this regard in the IPAP should be proposed by the Secretariat for Board decision as early as possible.

XLII. Joint submission from a group of Private Sector Organizations¹¹

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	Each country should initiate an RFP process through its NDAs and with support from the AEs to identify a list of projects that meet the eligibility criteria. There should be an initial approval of the project/programme by the GCF to ensure project developers/sponsors do not commit significant funds to the development of a project that might not be approved by the GCF.
b.	Streamlining and improving the transparency of the proposal approval process	
c.	Defining further decision making options, including deferral of proposal approvals	Private Sector entities and various commercial banks already have a detailed due diligence process as part of the project assessment and financial close. Ideally, the due diligence process should include a due diligence on GCF criteria and requirements which can be submitted to Secretariat once completed. This will enable the decision making process to be fast tracked.
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	To ensure a quicker process the concept notes should ideally be approved at the country level by the AEs (support by the NDAs). Only complex issues should be referred to Secretariat for consideration and approval. Reporting/Feedback can be provided to the Secretariat.
e.	Supporting the Board to make decisions regarding funding proposals	A non consensus decision making procedure for the approval of proposals will need to be developed for the approval of proposals. In order to expedite the scaling up of projects in the current resource environment, consideration needs to be given to the role of the AEs assisting with the approval of the projects. To ensure the quality is not compromised the delegation of such approval can be contingent upon an initial approval by the GCF (earlier in the project development phase). The

¹¹The submission represents remarks by several participants from companies which are members of the World Business Council for Sustainable Development (WBCSD). Please note that it is not a formal submission on behalf of WBCSD.



		delegation to the AE can be limited through a set of criteria or threshold amount. The AEs will therefore not approve all projects, but only projects that are below a certain maximum value or meet certain minimum criteria set by the Fund.
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	Consideration needs to be given to the appropriateness of setting the same targets, benchmarks and incremental costs for projects being undertaken in developing versus developed countries.
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	
	Any other general comments/inputs	There needs to be a clear definition of some terms eg. “gender friendly technology”

XLIII. Submission from Mr. Anton Hilber, Board member from Switzerland

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<ol style="list-style-type: none"> 1. Main responsibility of pipeline development is with NDAs in collaboration with AEs, given that the NDAs have to sign off on all GCF project proposals in all countries, including those coming from the private sector. NDA/AE collaboration for pipeline development is supported by existing funding channels for capacity building (i.e. from GCF and other multilateral and bilateral sources). 2. LDCs and SIDSs should be eligible for additional targeted support for capacity building in the context of GCF pipeline development and receive preferential treatment in context of the still-to-be-defined PPF of the GCF. The SEC should check on the “additionality” of any GCF-support to avoid crowding out of existing support and to forge synergies, avoiding duplication. 3. Current experience with pipeline development show challenges with the current requirement to provide feasibility studies, particularly in the context of direct access entities from LDCs. It should be allowed for such entities to provide required feasibility study provision as part of the conditional approval of a proposal.
b.	Streamlining and improving the transparency of the proposal approval process	<ol style="list-style-type: none"> 1. Besides publishing the TAP assessments, the complete “funding proposal documentation package” for the Board should be posted on the GCF website before the respective Board meeting, as done in the other climate funds. This includes the SEC assessment, the TAP assessment, the summary of the second-level due diligence carried out by the SEC, as well as the funding recommendation by the SEC and all Annexes, in line with the GCF’s information disclosure policy (meaning that only elements deemed confidential under this policy should have restricted disclosure). 2. For private sector proposals requiring higher levels of confidentiality, the approved disclosure policy in B.12/32 Annex XXIX highlights limitations for exceptions. The results of this decision shall be monitored by the SEC and, if applicable, the SEC should recommend policy adjustments to the Board. 3. The modalities of interaction between the proposal developers and the TAP/GCF Secretariat should be further clarified. Consistency of GCF SEC statements and the feedback to project developers coming from GCF staff members should be assured.
c.	Defining further decision-making options, including deferral of proposal approvals	<ol style="list-style-type: none"> 1. Prevent that politically contested proposals are deferred indefinitely. 2. Clarification required in what stage of the PAP a deferred, updated proposal will be placed after re-submission.
d.	Reviewing how concept notes should work within the project cycle, facilitating the	<ol style="list-style-type: none"> 1. It should be assured that concept notes are rapidly commented by the TAP/Secretariat. 2. Potentially a three- level process could be ideal to support the development of promising ideas while avoiding unproductive work on proposals deemed generally unsuitable:



	<p>feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary</p>	<ol style="list-style-type: none"> a. Idea-note with simplified format that is briefly checked by the SEC on consistency with basic GCF requirements and strategic fit. b. Concept note with slightly less content than the current concept note format that is checked for endorsement by the SEC (if requested). Feasibility studies are not required at this level. Possibility to create the same concept note format as the one requested for the PPF. c. Full proposal including all relevant documentation such as feasibility studies. <p>3. Currently the Board approves proposals only after submission of the full-fledged proposals. As a second option it is recommended to consider a preliminary Board approval, possibly with specified conditions, during concept stage. If subsequently all relevant documentation is provided in the full proposal, the Board (or ED through delegated authority) would give final approval. The two options and their differences are described in Annex I of this document.</p>
<p>e.</p>	<p>Supporting the Board to make decisions regarding funding proposals</p>	<ol style="list-style-type: none"> 1. A facilitated small-scale approval process - initially conducted by a Small-Scale Advisory Committee (SSAC) and later delegated to the SEC - could relieve the Board significantly. E.g. all micro-scale activities would not require formal approval by the Board, only contentious projects/programs would be considered during the regular Board Meeting. A definition of an approval-process for small-scale activities is expected for B.13, which should also revisit the current definition of "small". 2. In the longer term, the approval of all proposals up to a certain funding volume should be delegated to the the ED, based on technical assessments and recommendations by the SEC and the TAP. Only proposals flagged as problematic by CSOs or Board Members would go for full consideration by the Board (as is the practice e.g. in the CDM or in the GEF).
<p>f.</p>	<p>Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding</p>	<ol style="list-style-type: none"> 1. It is recommended to avoid falling into the trap of highly complex incremental cost assessments and -negotiations from which GEF suffered in the 1990s. For mitigation, rather require the use of UNFCCC-approved latest streamlined baseline and monitoring methodologies for the various technologies and categories of activities. 2. The GCF could give preference to proposals with high degree of cofinancing and generally insist on at least some degree of cofinancing (financial and/or in-kind) to the extent possible, including from private sources. One could also assemble historic cofinancing ratios, including from other funds, to serve as a guidance. However as with other elements of the PAP, it should be guaranteed that countries –especially Low Income countries- who have historically not received broader support or are unable to generate much co-financing are put at a disadvantage. Thus it is recommended to consider e.g. a relative approach with historic cofinancing related more to countries rather than result areas. It is recommended that the SEC analyze best practice while taking into account the different financial conditions of countries. 3. The GCF decided to use indicative minimum benchmarks as a form of eligibility criteria (DECISION B.09/05). This should ensure that projects and programs give an early indication of whether the funding

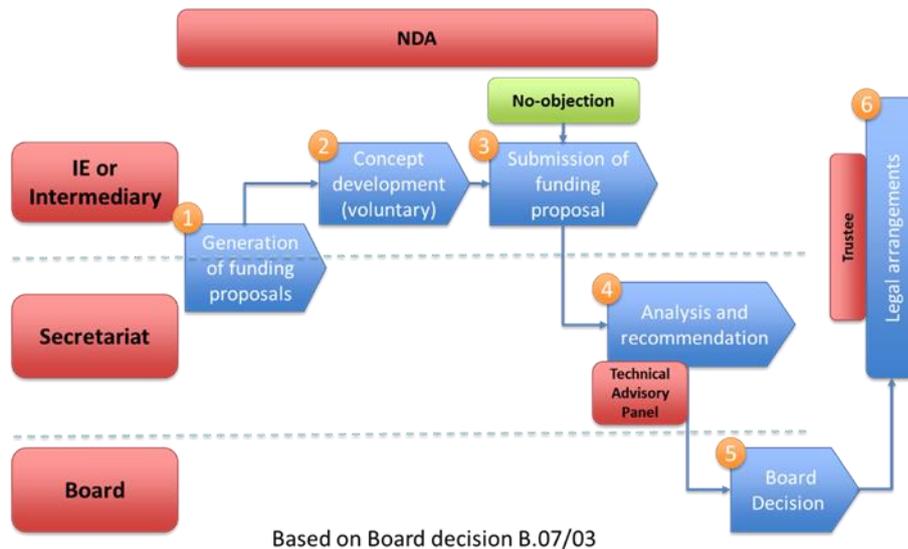


		<p>proposal broadly aligns with the Fund’s investment criteria. But how will the indicative minimum benchmarks be aligned with the investment criteria? This discussion is scheduled for B.13. It is recommended to link the such benchmarks with the existing performance indicators.</p>
g.	<p>Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism</p>	<p>Irrelevant, as the newly hired head of the redress mechanism will propose draft interim procedures. It should be considered to also invite submissions on this issue.</p>
	<p>Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)</p>	<p>Unclear process steps are not properly addressed yet, such as a transparent indication of what an “acceptable” proposal means in terms of performance against investment criteria or what influence the scaling has? And it is still not defined what happens when the available commitment authority is insufficient to support all received applications that fulfill the minimum requirements, including minimum benchmarks.</p> <p>There are two basic options on how to address this challenge, and a there is a third, blended option:</p> <p>Option 1: <u>Competition</u> among proposals according to their projected performance/results.</p> <p>In this option, the scaling results of the SEC assessment would be used for prioritization of projects or determine the recommendation provided by the Secretariat and TAP, i.e. there will there be competition among proposals. According to the current wording” Proposals that best achieve the Fund’s objectives will be selected based on selection process methodologies to be approved by the Board”. This definition requires more precision: E.g. does the SEC forward the funding proposal package as soon as the minimum requirements are fulfilled, including the scaling results, or does the SEC rank the proposals e.g. according to the number of “high” scores before submission. Further, all investment criteria are weighted similar at the moment. With regards to the funding recommendation, are some criteria (e.g. Impact) seen as more important than others? Ranking of proposals according the scaling results could be done e.g. by average of all sub-criteria per investment criteria.</p> <p>Finally the Board would make its funding decision according to the scaling results until the envisaged funding volume is exhausted. To guarantee high quality of projects/programs one could also define a relative share or threshold of scaling results that has to be achieved for funding that is above the minimum benchmark.</p> <p>Option 2: <u>First come first serve</u> approach in combination with caps/investment parameters as proposed in B.12/17 Annex V. They include e.g.:</p> <ul style="list-style-type: none"> - Country funding caps



		<ul style="list-style-type: none"> - Project/programme caps - AE caps - Results area caps (mitigation maximum 50% cap in place) - Grants caps - Other financial instruments caps (loans, equity, guarantees) <p>The caps could be determined in relation to the overall resources and lead to a “fair” distribution of resources among countries, AEs, result areas etc.</p> <p>Respective reserved resources per area would be allocated according to first come first serve. As long as the minimum requirements are fulfilled, the scaling result representing respective quality and performance would be ignored.</p> <p>Decision B.12/34 states that there is Interim risk and investment guidelines in place – until B.15. It is unclear where they are defined, clarification by the SEC is required.</p> <p>Option 3: Blended Option: The GCF could introduce some caps and parameters, e.g. for maximum share of funds going to any single AE or country or specific results area.</p> <p>However the allocation within the result areas would be conducted based on competition among proposals based on performance according to the scaling results rather than first come, first serve.</p> <p>Illustrative example for option 3: The Board defines a cap for the result area of “mitigation – transport” of 10% of the overall resources of the fund. Until the next Board meeting that considers new funding proposals, the SEC recommends five proposals for “mitigation – transport” representing 15% of the overall resources of the fund thus exceeding the limitation of 10%. Instead of a first come, first serve approach, the Board takes the funding decision based on the scaling results of the SEC and TAP assessments and selects three of the five proposals that “best achieve the Fund’s objectives”. The other two proposals have to wait until the GCF has more resources available, i.e. for the next funding cycle.</p> <p>Of course, already existing parameters of overall balanced allocation between mitigation and adaptation or the particular focus on developing countries particularly vulnerable to the adverse impacts of climate change have to be respected.</p>
	Any other general comments/inputs	

Annex I: Recommendation for an enhanced proposal approval process.

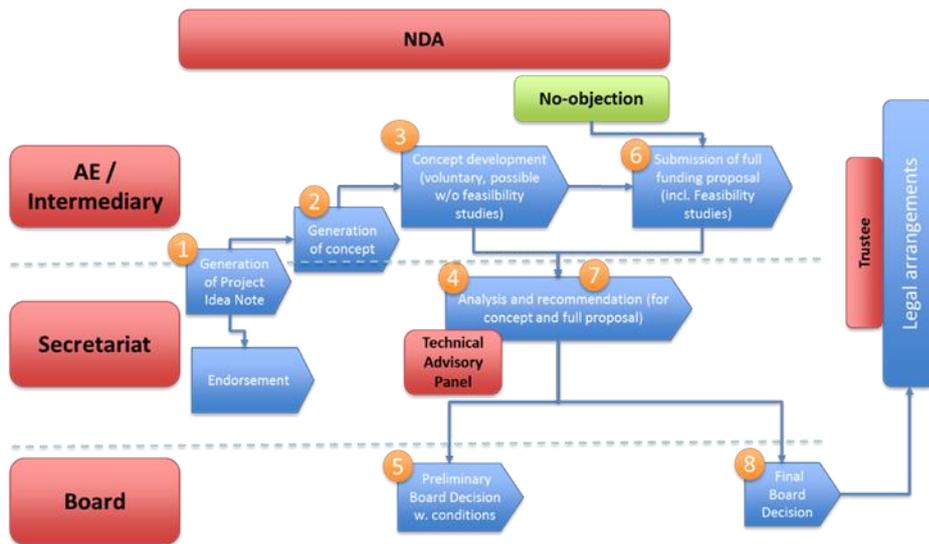


Proposal approval process based on B.07/03 (current approach):

Currently the proposal approval process is structured in two levels. The first level is a voluntary submission of a concept note. The second level is the submission of a full proposal that requires all relevant documents, including feasibility studies. This full proposal will be assessed by the SEC and TAP and forwarded to the Board.

Project developers complain that the concept development is challenging as it has a similar content requirements as full proposals. Thus it is not suitable to indicatively check whether an activity fulfills the requirements and objectives of the GCF. Further, developers face challenges to fund and elaborate feasibility studies for the full proposal level without a prior indication of whether the Board will ultimately accept the proposal with all requirements and safeguards fulfilled.

NOTE: As the fund evolves there will likely be more delegated approval-authority from Board to ED/SEC, not depicted here. Also, the timing of NDA no-objection letters and of Board decision-points - possibly differentiated by project scale and -category- will require careful consideration and further definition in the future.



Enhanced approval process (proposed three- level structure):

It is suggested to increase the flexibility of the process while decreasing risks for project developers.

The first level in this structure is a Project Idea Note voluntarily submitted to the GCF SEC. After brief check by the SEC on consistency with basic GCF requirements and objectives, the PIN can be endorsed. The second level is submission of a concept with full description of all project/programme elements, but not yet with all relevant documentation such as feasibility studies. Concepts would undergo the regular assessment by SEC and TAP and finally be approved by the Board on a preliminary basis, including with specific conditions. After providing the missing elements, such as feasibility studies, the full proposal would undergo a final assessment by the SEC and final approval by the Board.

To support feasibility studies from developers that do not have sufficient resources, it is recommended that the PPF is provided with the possibility to co-finance such studies after preliminary approval by the Board is succeeded (step 5). Crowding out of other finance has to be avoided..

XLIV. Submission from NDA/Focal Point of Barbados

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<p>Support for strengthening and scaling up the GCF pipeline and that of developing countries is welcomed and strongly supported. However, further clarity how this will be done recognizing the diversity of programs and varying pipelines. As such, the GCF will have to show flexibility and deal with this on a case by case base.</p> <p>It should also provide training support to developing countries, especially SIDS and LDCs, to help build capacity to strengthen and scale-up program pipelines.</p>
b.	Streamlining and improving the transparency of the proposal approval process	Streamlining should be done to reflect a country own experience and capacity. The need for transparency should translate to mean clear and easy to understand rules and guidelines, fairness in how the approval process will be carried out, and a built in mechanism to adapt when needed.
c.	Defining further decision-making options, including deferral of proposal approvals	Again, any further decision-making proposals should be clear, simple to understand, and transparent.
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	<p>Concept note should be done early in the project cycle so as to provide clear guidance on technical, fiduciary and safeguard issues in the project, and other risk factors. The note should be simply and not requiring too much detail that would extend the project cycle.</p> <p>For consideration should be whether concept notes for small scale projects should differ from concept notes for larger projects.</p>
e.	Supporting the Board to make decisions regarding funding proposals	No comments
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	It is agreed that there is a need to strengthen the process but it should not disadvantage some developing countries like SIDS and LDCs. As such, the criteria should not be a hindrance but should be fair to all developing countries parties.



g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	No comments
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)	No comments
	Any other general comments/inputs	No comments

XLV. Submission from Mr. Jacob Waslander, Board member from Netherlands

This NL/DL/Lux note intends to review 1) PAP B.12/Inf05, 2) co-chairs proposal, 3) readiness progress report. We have used the table, provided by the secretariat to structure our remarks.

As an introduction we would like to remind that GCF was intended to differ from the earlier climate related funds, such as the GEF and the CIFs, with a greater attention to innovation, private sector engagement, and results; opportunities for direct access; and less bureaucratic hurdles for project approval and implementation (e.g. unlike the GEF process which can still take up to 5 years from concept to project implementation). After reviewing the documents, there appears to be a risk that as the GCF matures as an institution it will become less nimble and less innovative and more locked into procedures that will increasingly mirror those of the institutions from which it was to differ (and supplant). Streamlining and articulation with an eye towards being an institution that is results rather than process driven is crucial.

Taking this into account, we like to stress the importance of early strategic influence by the Board on pipeline and proposal development, including mandatory concept notes, in order to avoid that entities are wasting resources on the 'wrong' projects.

Our main conclusions are the following.

Elements for review		Comments/inputs DK/NL/LUX
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<ul style="list-style-type: none"> - There is no overlap between activity 4 of the readiness programme and PPF funding. Readiness support may pave the way for PPF (if need be, but not by default). They have different users (DNAs/focal points and AEs respectively) and different foci (enabling environment/country programme, and further development of components of the country programme respectively). - Development of country programmes should be given more attention in the readiness support. We support the programmatic approach but this approach needs to be further defined. - Submission of programmes should be encouraged, simple bundling of unrelated elements should be avoided.
b.	Streamlining and improving the transparency of the proposal approval process	<ul style="list-style-type: none"> - The proposal approval process should be streamlined by making use of the GCF website. It is important for GCF to become more transparent. This would imply posting of both concept notes and TAP assessments on the website – preferably as early as possible. It is also important to update the website regularly regarding the project cycle status of the projects - from concept notes until implementation (and eventually completion) - so board members and the general public can see what stages projects have entered. In that way both successes as well as set-backs and delays become more visible and can be acted upon . - We suggest to have an open attitude towards the possibility of an informal review process before the concept note or formal proposal is submitted; during such informal review the Secretariat may provide information and feedback to applicants. At the same time Secretariat should underline that this does not give any rights or foreclose Board responsibilities.
c.	Defining further decision-making options, including	We are concerned about deferring the same project/ programme several times. However, we think that there should not be a maximum number of deferrals for a single proposal. That would force the Board to make a decision even if the available information is insufficient, increasing risk if the proposal is



Elements for review		Comments/inputs DK/NL/LUX
	deferral of proposal approvals	approved. If the Board wants to prevent a next submission, it can reject the proposal. Deferrals should include clear conditions concerning the elements of the proposal that need to be improved
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	An early strategic influence by the board on pipeline and proposal development, as well as effective preparation and approval process considering the scale of the fund itself (=number of projects to be approved) is key. Such a process would imply mandatory concept notes to be presented to the Board. The Board could have a limited involvement in later stages, this could also be done in a no-objection format (e.g. when changes in concept, when requested by board members/CEO etc, when secretariat or TAP have doubts related to a specific project). It should not be necessary to have a full two-step approval process, the strategic focus of the Board should be on the concept note approval.
e.	Supporting the Board to make decisions regarding funding proposals	When submitting concept notes and funding proposals to the board, the Secretariat should advise the Board how the project fits into the investment framework, the risk management framework (including portfolio spread), and the newly agreed upon GCF strategy. If dilemmas emerge, for instance when strategy and investment framework give insufficient clarity, the Secretariat should highlight these, for the Board to discuss. The TAP should advise the Board on the technical feasibility and innovative aspects of each proposal e.g. will the project contribute to transformative change?
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	The Board should consider developing risk investment criteria (identified as policy gap in decision B11/11) in addition to benchmarks.
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism.	A redress mechanism or an interim procedure needs to be put in place, similar to what is requested from all the accredited entities (one of the criteria for accreditation). This is important from risk management perspective for both GCF itself as well as for its AEs.
	Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c),	It is important to discuss at the next Board meeting: 1) the full project/programme cycle in coherence, not just the early stages of preparation and approval 2) the link between the GCF strategy, investment framework etc., pipeline and project preparation and approval.



Elements for review		Comments/inputs DK/NL/LUX
	and other common areas as contained in paragraph (d) ¹²	
	Any other general comments/inputs	None.

¹² Gaps are: Project eligibility criteria, Calculation of incremental costs, Risk investment criteria, Linkage between climate actions and how they enable economic development to proceed in a sustainable manner, Incorporating potential innovation, Sustaining benefits once GCF financing ends, Monitoring and evaluation, including how lessons can be disseminated to inform and possibly promote replication in other regions/countries, How benefits for women and girls will be delivered, How fiduciary weaknesses in project countries will be addressed, Country ownership and effective stakeholder engagement, Additionality of the funding.

XLVI. Submission from Koscom, South Korea

Elements for review		Comments/inputs
a.	Strengthening and scaling up the GCF pipeline, including the country programme pipeline	<p>We believe brining private sector into the GCF pipeline will make its operation more efficient. A proposal from fund recipient may include its government backing and support for the proposal, and/or guaranteed buyback plan on the outcome of such proposal. For example, a solar energy plant was built through GCF fund, the fund recipient's government guarantees to purchase electricity generated from the plant. We expect proposals with these kinds of plans would be more favorable in the approval process, hence attracting private sectors to participate in the GCF.</p> <p>GCF 에 민간영역 기금을 참여시키는 것이 효율적이라고 판단됨. 수혜국의 proposal 평가 항목에 해당 proposal 프로그램에 대한 수혜국 정책적 지원사항 또는 proposal 의 생산물 자체 구매 개런티를 포함시킬 수 있을 것이다. 승인 절차에 있어 이러한 기획을 가지고 있는 proposal 들을 선호하게 될 것이고, 더 나아가 민간영역을 GCF 참여시키는데 도움이 될 것으로 기대됨.</p>
b.	Streamlining and improving the transparency of the proposal approval process	
c.	Defining further decision-making options, including deferral of proposal approvals	
d.	Reviewing how concept notes should work within the project cycle, facilitating the feedback of the TAP on concept notes and facilitating contact of the TAP with accredited entities as useful and necessary	
e.	Supporting the Board to make decisions regarding funding proposals	
f.	Strengthening project/programme eligibility criteria, including categories of incremental cost eligible for funding	
g.	Developing interim procedures for redress pending the recruitment of the head of the independent redress mechanism	



	<p>Any other comments/inputs in relation to the policy gaps listed in decision B.11/11, paragraph (c), and other common areas as contained in paragraph (d)</p>	
	<p>Any other general comments/inputs</p>	<p>Should GCF decide to participate or link in the process of developing carbon market of recipient countries, Koscom - having expertise in building such IT system, can provide technical advisory on development of the system.</p> <p>GCF 가 탄소배출권 시장 개발 혹은 연계할 경우, 당사(IT 시스템을 개발한 경험자로서)는 해당 시스템 개발과 관련한 기술적인 조언을 제공할 수 있다.</p>
