



**GREEN  
CLIMATE  
FUND**

**Meeting of the Board**

16 – 19 March 2021

Virtual meeting

Provisional agenda item 18

**GCF/B.28/08/Add.02**

8 March 2021

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# Response matrix for Board comments received on the draft document "Further development of the SAP"

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## **Summary**

This document contains the response matrix for Board comments received on the draft document "Further development of the SAP" during the consultation period taking place from 25 January to 5 February 2021.

## Response matrix for Board comments received on the draft document "Further development of the SAP" – Board consultations prior to B.28

| # | Country           | Section       | Board comment  | Secretariat Response  |
|---|-------------------|---------------|--|---|
| 1 | Republic of Korea | General       | We welcome this document on the further development of the simplified approval process, which should shorten the approval period and enhance the accessibility of SAP projects.  | Noted   |
| 2 | Republic of Korea | Decision text | We would like to understand the specifics (including the contents and the timeline) of the 'additional simplified assessment methodologies and a more efficient review process for SAP proposals' mentioned in Annex I (d), as this may directly affect the AEs' implementation of projects. | The decision text in Annex I (d) had referred to the reviews conducted by the ITAP and was linked to the Board document " <i>Review of the structure and operations of the independent Technical Advisory Panel</i> ". As this paper will detail the simplifications and assessment methodologies that the ITAP is expected to undertake concerning their review of SAP Funding proposals, the reference has now been removed. The decision now ensures that the existing operational modalities of the ITAP, such as reviewing SAP proposals on a rolling basis and making use of the roster of experts, are fully deployed and expedited.   |
| 3 | Republic of Korea | General       | We would also like to know how the Secretariat plans to further incorporate what was recommended by the IEU in its independent assessment of SAP Pilot Scheme (a strategy to expand the scope of the SAP modality to include proposals that bring value to the GCF).                         | <p>During 2021 the Secretariat will implement a number of the recommendations from the IEU's assessment of the SAP that did not require Board action. Related actions were included in the Secretariat's 2021 workplan and in the Secretariat's Management response the IEU assessment of the SAP, circulated to the Board on 04 August 2020. The document was also circulated to the Board on 26 February 2021 ahead of the Co-Chair's Consultation Session on Evaluations on Monday, 1 March 2021.</p> <p>The specific Recommendation from IEU, on the development of a strategy for SAP, can be addressed by the Secretariat through the development of a SAP Programming Guidance document. This guidance will clarify how the SAP modality can bring value in the areas highlighted by IEU (financing innovative approaches,</p> |

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|   |                           |             |  | SAP role in scaling up, the SAP value proposition in addressing urgent climate needs in SIDS and LDCs, etc.)   |
| 4 | Spain/Ireland/New Zealand | General     | In general we welcome and support the draft policy. We are pleased to see the potentially significant time savings in the review and approval times for SAP proposals that could be achieved through rolling assessments by TAP, approvals between board meetings and delegation to the ED - all of which we support.  | Noted  |
| 5 | Spain/Ireland/New Zealand | Eligibility | We are also comfortable with the extension of eligibility to projects that have limited environmental and social impact (beyond those that have "minimal to none") although of course it remains important to ensure the appropriate assessments are carried out.  | Thanks for your comment.<br>The Secretariat will ensure that the ESS risk assessments in projects will comply with the highest standards set by the GCF ESS framework policy.                                    |
| 6 | Spain/Ireland/New Zealand | General     | For proposals that are considered and approved by the Board between Board meetings it will be important to ensure Active Observers / CSO voices are able to be heard. We would want to be sure that their participation was not disadvantaged by this approach. We often find the comments by AOs are very useful as they are able to reach in to communities affected by proposals. It will be even more important that CSOs have a voice in this process given the proposal to extend eligibility of SAPs to those with "limited" environmental and social impact. It is not clear (in the Annex), when the AOs would have access to the SAP proposals for their comment and how we would be able to have access to their views. | The revised version of the paper specifies in Annex II, table 1, section 6.1 that the Active Observers (including the representative of the CSOs) will be involved and will be able to share views and comments. |

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| 7 | Spain/Ireland/New Zealand | General | <p>While we welcome the improved review and approvals processes and acknowledge that these improvements will be helpful in condensing the amount of time it takes from concept to approval, the draft updated Policy does not attend much to the arguably more difficult challenges of project preparation and the amount of information and documentation required (para 12 addresses this to some degree for mitigation and private sector projects but not more broadly or comprehensively). Given that the review found that this remains one of the most burdensome aspects of the SAP and that all stakeholders interviewed commented on the need to 8simplify this aspect of the process, we would encourage further assessment of ways to reduce the burden of documentation without reducing the quality of proposals. If not, SAPs will remain too burdensome for the amount of funding being sought regardless of improvements to the approvals process.</p> <p>We note that it may be the case that the level of technical assistance provided needs to be reviewed and also note that document mentions that the AE and NDA would be supported by Readiness and PPF to help with this project preparation process. But we think it is still useful also to review the documentation required so that LDCs and SIDS in particular can access funding without this level of complexity and need for support.</p> | <p>The revised document is now more specific in Annex II Section IV on the actions that will be taken to further simplify the preparation and review of SAP proposals. These actions take into consideration the IEU recommendations formulated in the IEU independent assessment of the SAP, while maintaining the B.18/06 decision’s requirements to apply the existing quality standards/policies for project-related policies are maintained. Actions undertaken to simplify the project preparation, will be to enhance the digitalization of the SAP submission and review process, further reduction of the documentation needed for SAP, and streamlining of the appraisal standards. The latter will give the AEs predictability on what is expected in terms of the content of the SAP funding proposal, allowing the AEs an efficient use of their preparation resources.</p> |

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| 8 | Spain/Ireland/New Zealand | Decision text | <p>From a budgeting perspective, having 6 SAP approval moments per year (3 in BM and 3 BBM) will require more SEC and TAP human resources which in turn will have an impact on the coming Budgets, as the document points out. Could we just confirm that the GCF will look to externalise its review service to service the increasing frequency of reviews?</p>                    | <p>The entire SAP proposals' review process, from Concept Note submission to Funding Proposal approval will remain within the Secretariat. As of today, the SAP constitutes 26.6% of the entire GCF pipeline in terms of submissions. This percentage will likely grow further if the "Update for the SAP" policy will be approved, allowing a faster approval of SAP projects.</p> <p>Yet, with the current internal Secretariat's capacity, only 40% SAP concept notes and 58% of SAP funding proposals have been reviewed and replied within the timeline set by the internal SAP Standard Operating Procedures (21 days for the concept notes and 30 day for the funding proposals). As highlighted by the SAP review, these delays are contributing to the SAP being perceived as not as efficient as expected by the GCF clients. In addition, constraints in the review capacity can jeopardize the efforts to deploy a full rolling review modality as envisaged by decision B.18/06.</p> <p>The use of experts to increase on ad-hoc basis the review capacity of the Secretariat is considered a cost-effective solution that will enable a smooth SAP proposal review on a rolling basis while contributing to a significant reduction of the approval cycle time. This solution mirrors what is already happening with the ITAP. The ITAP is allowed to expand his review capacity, as needed, through a roster of experts who can be mobilized by the TAP members as deemed necessary.</p> |
| 9 | France                    | Decision text | <p>We support your proposal to delegate the approbation of SAP projects to the Executive Director for projects &amp; programme that presents no to minimal environmental and social impacts and risks and the introduction of in-Between Board Meeting (BBM) approvals by the Board for SAP projects, programmes that entail limited environmental and social impacts and risks.</p> | <p>Noted</p>  |

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| 10 | France         | General       | As we consider this topic important, we would welcome if needed a call with the Secretariat and other willing board member to exchange ideas on this topic.   | Noted   |
| 11 | United Kingdom | General       | We support the idea of (i) rolling reviews of SAP proposals; (ii) using BBMs to approve SAP proposals; and (iii) expanding SAP eligibility to projects with limited risk  | Noted   |
| 12 | United Kingdom | Decision text | We also support the idea of delegating authority to the Executive Director where appropriate to promote efficiency gains. We would like to make sure we understand how sighted the Board would be on SAP proposals going to the ED for approval, per the proposal in the document. Section 6.1b in Table 1 of the document states that "...the Executive Director takes a decision within 21 calendar days after the publication of the SAP funding proposal" to either approve a proposal (potentially with conditions) or refer it to the Board. Could the Secretariat please confirm that this 21 day publication period would give Board Members the opportunity to review and comment on a SAP proposal should they so wish? | <p>Yes, we can confirm that. At each Board meeting, the Board will be kept informed of the pipeline of SAP proposals eligible for the approval of the ED by delegated Authority (Annex II, table 1, stage 4.1).</p> <p>The 21 calendar days mirror the procedures currently in place for the Proposal Approval Process (regular projects). During this time period, each Board Member, alternate Board Member and Active Observers may share comments, request clarifications, flag any issues or concerns or request the ED to refer the approval to a Board meeting (Annex II, Table 1, stage 6.1.b.4).</p> |
| 13 | United Kingdom | General       | Whilst welcoming the efforts made to identify options to speed up SAP approvals, we note (eg. para 11b) that stakeholders perceive the overall amount of information needed for SAP proposals is still similar to that needed for FPs in the 'normal' project approval process. Could the Secretariat please confirm that options were explored to address this, and that the amount of   | The revised document is now more specific in Annex II Section IV on the actions that will be taken to further simplify the preparation and review of SAP proposals. These actions take into consideration the IEU recommendations formulated in the IEU independent assessment of the SAP, while maintaining the B.18/06 decision's requirements to apply the existing quality standards/policies for project-related policies are maintained. Actions undertaken to simplify the project preparation will be to enhance the digitalization of the SAP submission and review                                  |

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|    |         |               | information required for SAP proposals is appropriate within GCF's existing risk appetite?   | process, further reduction of the documentation needed for SAP, and streamlining of the appraisal standards. The latter will give the AEs predictability on what is expected in terms of the content of the SAP funding proposal, allowing the AEs an efficient use of their preparation resources.   |
| 14 | Sweden  | Decision text | Many thanks for your important work on the further development of the SAP. We are ready to adopt the documents as it stands.   | Noted   |
| 15 | Germany | General       | <p>General comment: The overall objective of SAP is "to reduce the time and effort needed in the preparation, review, approval and disbursement procedures for proposals of certain activities, in particular small-scale activities". So far, the item "preparation" and efficiency gains in terms of processes and requirements more generally are not sufficiently addressed. We are concerned to hear that the perception of the SAP processes is that the amount of information and process needed is not substantially different from those for regular funding proposals, considering that the very idea of the SAP is to provide a more efficient, shorter and simplified access for certain types of projects. It hence has to be the key goal to ensure that the processes are adjusted in a way to remedy the situation. We would therefore like to see more specific</p> | <p>The revised document is now more specific in Annex II Section IV on the actions that will be taken to further simplify the preparation and review of SAP proposals. These actions take into consideration the IEU recommendations formulated in the IEU independent assessment of the SAP, while maintaining the B.18/06 decision's requirements to apply the existing quality standards/policies for project-related policies are maintained. Actions undertaken to simplify the project preparation will be to enhance the digitalization of the SAP submission and review process, further reduction of the documentation needed for SAP, and streamlining of the appraisal standards. The latter will give the AEs predictability on what is expected in terms of the content of the SAP funding proposal, allowing the AEs an efficient use of their preparation resources.</p> |

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|    |         |                  | proposals as to streamlining SAP preparation.  |   |
| 16 | Germany | Policy Rationale | (Referring to paragraph 9.a.) IEU conclusion 7 on low SIDS uptake should be reflected upon here too.   | Noted   |
| 17 | Germany | Policy Rationale | (Referring to paragraph 11.b) This policy proposal does not include any clear recommendations/actions how this can be addressed. Clearly the question of templates, information and preparation of projects is a point that needs to be addressed beyond the approval timeframes in the Board. | The revised document is now more specific in Annex II Section IV on the actions that will be taken to further simplify the preparation and review of SAP proposals. These actions take into consideration the IEU recommendations formulated in the IEU independent assessment of the SAP, while maintaining the B.18/06 decision's requirements to apply the existing quality standards/policies for project-related policies are maintained. Actions undertaken to simplify the project preparation, will be to enhance the digitalization of the SAP submission and review process, further reduction of the documentation needed for SAP, and streamlining of the appraisal standards. The latter will give the AEs predictability on what is expected in terms of the content of the SAP funding proposal, allowing the AEs an efficient use of their preparation resources. |
| 18 | Germany | Policy Rationale | Have options of increasing SAP project size been considered? What would options and implications be?   | <p>The SAP Review and IEUs independent assessment of the SAP did not specifically recommend expanding the GCF contribution to SAP Funding Proposal beyond USD 10 million. That said, including co-finance from other sources, SAP funding proposals can exceed the total costs of the project beyond the GCF USD 10 million contribution.</p> <p>The option of increasing the GCF contribution above USD 10 million would require further analysis to explore its operational feasibility and is not addressed in the paper.</p>  |

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|----|---------|------------------|--|--|
| 19 | Germany | General          | <p>The IEU Evaluation conclusion 5 and 6 and 15 on the definition and operationalization of "scaling up potential", recommendation 6b on lack of SAP-related KPI indicators and the Recommendation to develop a SAP strategy should also be reflected upon here and incorporated in the proposal as appropriate</p> <p>In particular, the issue of and recommendations regarding GCF scaling up successful approaches from AF, GEF and others should be considered; this could also be discussed in the context of a possible SAP strategy (see below)</p> | <p>The revised version of the paper makes specific reference that the SAP intends to scale up successful approaches. A SAP programming document will be developed to address several of the strategic aspects highlighted by IEU, including (i) promote climate financing innovation, (ii) clarify what scaling up means in the context of the SAP, (iii) identify the opportunity to unlock private sector finance through SAP and (iv) promote the use of SAP to address urgent climate change needs in developing countries, in particular in SIDS, LDCs and African States. (Annex II, paragraphs 3 and 10).</p> <p>Other specific actions proposed by the IEU such as SAP-specific KPIs, are included within the Secretariat workplan for 2021 under priority 2, KPI 2.1 and under priority 5, KPI 5.1.</p> |
| 20 | Germany | Policy Rationale | <p>(Referring to paragraph 14) This should be further elaborated upon; options of what would have to change to allow for a further simplification should be presented as this a key bottleneck to unleash the SAP's full potential and address existing bottlenecks</p>  | <p>The revised version elaborates in more detail further options to reduce the time and efforts for the preparation and review of SAP funding proposals (Annex II, Section IV), in line with the recommendations formulated by the IEU independent assessment of the SAP.</p> <p>As the application of all GCF policies not otherwise addressed in the original SAP decision was a fundamental component of the Board agreed SAP Pilot, the actions proposed to stay within the boundaries of the GCF existing policies that define the requirements and quality standards for all GCF projects and programmes.</p>  |
| 21 | Germany | Policy Rationale | <p>(Referring to paragraph 14) Has this document been shared with the Board? If so, where is it available? If not, it should be shared asap.</p>   | <p>The Secretariat provided its management response to the IEU evaluation to the Board via email on 04 August 2020. The document was also circulated to the Board on 26 February 2021 ahead of the Co-Chair's Consultation Session on Evaluations on Monday, 1 March 2021.</p>   |

| #  | Country | Section                         | Board comment  | Secretariat Response   |
|----|---------|---------------------------------|--|--|
| 22 | Germany | Analysis of the policy proposal | We support SAP approval via BBM; considering the heavy Board agendas and to further speed the process up, we would, however, suggest to present SAPs via BBM only and only bring them to the Board in case of objections as per the below  | Noted.   |
| 23 | Germany | Analysis of the policy proposal | (Referring to paragraph 19.a) what is the reason for the batching? To further speed up the process we would suggest to issue SAP BBMs on a rolling basis whenever they are ready   | The Secretariat remains sensitive to the concerns expressed by many BMs for the Secretariat to limit the number and increase the predictability of requests made to BMs. The current proposal attempts to respond to that concern and to routinize the AE submission and our own review cycle. |
| 24 | Germany | Analysis of the policy proposal | (Referring to paragraph 19.b) If the outcome of the online consultations are for example conditions that the Board may want to add to the approval, how would such a process work in order to avoid the need for objections?   | In light of the consultations' feedback, the revised version of the paper envisages that if there is an objection to approval or a request for conditional approval on a specific SAP funding proposal, that proposal will be referred to the earliest available Board meeting.                |
| 25 | Germany | Analysis of the policy proposal | (Referring to paragraph 19.b) There should be a possibility for the Board and Observers to submit written questions to the AE to be answered before the approval, just like under the current modality ahead of Board meetings; how would this look like for BBM approvals? This should be specified here.   | The revised version of the paper clarifies (Annex II, Table 1, stage 6.1) that the Board and Active Observers can share comments, questions, and requests in writing and that the Secretariat will reply in coordination with the relevant AE and the ITAP.                                    |
| 26 | Germany | Analysis of the policy proposal | (Refers to paragraph 20 (c)) We do not support this kind of DA at this stage in time and would prefer to approve all SAPs – regardless of risk category – as BBMs on a rolling basis for now (which should not lead to considerable additional delays compared to ED approval, considering that documents would equally be available for 21 days before ED approval). We are open to look into | Noted  |

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|    |         |   | further delegation at a future point in time (e.g. in the context of a SAP strategy, see below, or elsewhere where appropriate) after some experience with the proposed BBM modality.  |   |
| 27 | Germany | Impact assessment and implementation arrangements | (Referring to paragraph 37) Concerning the externalization of the SAP review to outside the Secretariat, we are still skeptical as to how this would enhance the process while still ensuring the quality and expertise of the GCF that is needed. The governance implications of creating such a parallel structure are unclear. We would appreciate to see other options of addressing this issues, including hybrid options in terms of staff needs and external support etc. | <p>The entire SAP proposals' review process, from Concept Note submission to Funding Proposal approval will remain within the Secretariat. As today, the SAP constitutes 26.6% of the entire GCF pipeline in terms of submissions. This percentage will likely grow further if the "Update for the SAP" policy will be approved, allowing a faster approval of SAP projects.</p> <p>Yet, with the current internal Secretariat's capacity, only 40% SAP concept notes and 58% of SAP funding proposals have been reviewed and replied within the timeline set by the internal SAP Standard Operating Procedures (21 days for the concept notes and 30 day for the funding proposals). As highlighted by the SAP review, these delays are contributing to the SAP being perceived as not efficient as expected by the GCF clients. In addition, constraints in the review capacity can jeopardize the efforts to deploy a full rolling review modality as envisaged by decision B.18/06.</p> <p>The use of experts to increase on an ad-hoc basis the review capacity of the Secretariat is considered a cost-effective solution that will enable a smooth SAP proposal review on a rolling basis while contributing to a significant reduction of the approval cycle time. This solution mirrors what is already happening with the ITAP. The TAP is allowed to expand his review capacity, as needed, through a roster of experts who can be mobilized by the TAP members as deemed necessary.</p> |
| 28 | Germany | Impact assessment and                             | (Referring to para 39) While these points are welcome, the policy lacks clear guidance how the process, templates and information to be provided   | The revised document is now more specific in Annex II Section IV on the actions that will be taken to further simplify the preparation and review of SAP proposals. These actions take into   |

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|----|---------|---|---|---|
|    |         | implementation arrangements                       | will be made more efficient and simplified while finding a balance to ensure that GCF policies are complied with  | consideration the IEU recommendations formulated in the IEU independent assessment of the SAP, while maintaining the B.18/06 decision's requirements to apply the existing quality standards/policies for project-related policies are maintained. Actions undertaken to simplify the project preparation, will be to enhance the digitalization of the SAP submission and review process, further reduction of the documentation needed for SAP, and streamlining of the appraisal standards. The latter will give the AEs predictability on what is expected in terms of the content of the SAP funding proposal, allowing the AEs an efficient use of their preparation resources. |
| 29 | Germany | Impact assessment and implementation arrangements | As stated above, the IEU conclusion 16 regarding the lack of intra-Secretariat incentives that encourage task managers to review and process SAP projects should also be reflected and acted upon here;                 | As stated in the Secretariat's management response to the IEU recommendations, the Secretariat agrees with the recommendation and intends to consider SMART performance indicators and appropriate KPIs to incentivize the timely and effective processing of SAP.  |
| 30 | Germany | Impact assessment and implementation arrangements | (Refers to para 39(b)) We very much support the development of these aspects in line with the IEU Evaluation recommendations and look forward to learning about further details throughout the associated developments. | Noted.  |
| 31 | Germany | Impact assessment and implementation arrangements | We would also support the development of a SAP strategy in line with the IEU recommendation as the strategic dimension is missing in this document  | Noted. The Secretariat plans to deliver a SAP programming guidance after the approval of the SAP policy, as stated in paragraph 40 of the policy.   |
| 32 | Germany | Annex II  | (Referring to Annex II para 5) These aspects should be operationalized more explicitly, strictly and coherently in line with IEU evaluation findings  | Noted   |

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| 33 | Germany | Annex II | (Referring to Annex II para 12) Why has adaptation been excluded here? Especially in terms of climate rationale these might be necessary.  | Noted; we have revised the language in the relevant section of Annex II. |
| 34 | Italy   | General  | We appreciated the work of the Secretariat regarding further development of the Simplified Approval Process (SAP), which we think represents a strategic instrument for the GCF to ensure simplified and improved direct access to funding for smaller scale projects and programmes with transformational impact, including for specific results areas such as adaptation, beneficiaries such as Least Developed Countries as well as for GCF partnership with Direct Access Entities, in line with the provision of the Governing Instrument. Having an improved and fully advanced SAP is a key priority for us also in line with the relevant provision of the recently adopted Updated Strategic Plan, and we welcome the timely work of the Secretariat in this respect. | Noted  |
| 35 | Italy   | General  | In this regard, we look favorably to further improve efficiency of SAP modalities by considering the in between meetings decisions modality, by means of the consolidated decision-making procedures that allows the review.   | Noted  |

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|----|---------|---------|--|---|
| 36 | Italy   | General | Enlarging the SAP eligibility to projects with limited environmental and social risk categories under specific conditionality is also an opportunity to further amplify the potential transformational impact of SAP proposals and incentivize applications from stakeholders that are yet showing low interest towards the SAP such as the private sector   | Noted   |
| 37 | Italy   | General | However, some clarifications are still needed on the policy rationale, since specific recommendations of the independent review of the SAP Pilot scheme conducted by the IEU, are still to be developed. In principle, addressing some of the shortcomings identified in the SAP pilot scheme with specific strategic recommendations should be preliminary to any further review of the operational modality of the SAP.  | Noted; The document has been updated to enhance the policy rationale and to clarify the recommendations that are being addressed within the scope of the proposal.  |
| 38 | Italy   | General | Looking at the findings of the IEU review, the present SAP modality has not translated into simplified requirements, nor has resulted in accelerated processes in terms of preparation, review and approvals of projects. We would appreciate to see proposals based on these findings. We share the view that there is a need to improve efficiency and accelerate review procedures as a real incentive to entities for applying through the SAP modality when proposals fit the required eligibility criteria. The proposed extension of eligibility to limited | The revised document is now more specific in Annex II Section IV on the actions that will be taken to further simplify the preparation and review of SAP proposals. These actions take into consideration the IEU recommendations formulated in the IEU independent assessment of the SAP, while maintaining the B.18/06 decision's requirements to apply the existing quality standards/policies for project-related policies are maintained. Actions undertaken to simplify the project preparation, will be to enhance the digitalization of the SAP submission and review process, further reduction of the documentation needed for SAP, and streamlining of the appraisal standards. The latter will give the AEs predictability on what is expected in terms of the content of the SAP funding proposal, allowing the AEs an efficient use of their preparation resources. |

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|    |         |                      | environmental and social risks and the use of BBM decision-making would be helpful in this direction.  |   |
| 39 | Italy   | General              | Some concern remains on the limited impact so far of the value added of the SAP in achieving the three expected outcomes, namely a) providing resources for meeting urgent climate adaptation needs of GCF priority countries; b) enhancing DAEs' access to the GCF while leveraging climate finance; and c) supporting projects that scale up ideas, and approaches that contribute to transformational change. | <p>In line with the IEU assessment of the SAP and the Secretariat's commissioned review of the SAP Pilot presented at B.25, we envisage that a substantial value-added of the SAP will materialize if the approval modality for SAP will be changed compared to the PAP, allowing a significant reduction of the approval cycle time.</p> <p>If this is coupled with the simplification actions described in Annex II, SAP will be in a position to more efficiently provide resources for meeting urgent climate adaptation needs, enhanced access to GCF finance from DAEs, increased leveraging and unlocking of climate finance from other sources and augmented scaling up of successful and transformational projects and approach.</p> |
| 40 | Italy   | General              | It would be useful to have clearer indications on how to implement the considerations included in the Recommendation 2a) of the IEU Review, highlighting the usefulness for the Board and the Secretariat to simplify and tailor investment criteria, in particular related to the notions of "ready for scale up", implementation feasibility, innovation, and climate rationale.                               | <p>In the Secretariat's management response to the IEU Evaluation, circulated to the Board on 4 August 2020 (subsequently circulated on 1 March 2020), the Secretariat indicated agreement with IEU recommendation 2a.</p> <p>However, it was also highlighted that the Secretariat has not completed its own assessment to verify if a simplification of the investment criteria for SAP would lead to tangible efficiency gains for the preparation and/or review of SAP projects and programmes without compromising the expected quality of the Secretariat and ITAP assessments.</p>   |
| 41 | Italy   | Eligibility criteria | Eligibility criteria should be tailored to the purpose of the simplified process, in order to give further incentives to applicants to channel proposals reflecting added value and scalability. A   | <p>In the revised paper, the eligibility criteria for SAP have been reviewed to expand the eligible activities to those that entail limited risks. We envisage that this will contribute to the added value of SAP to the private sector and the capacity to scale up previous interventions that have proved to be impactful.</p>  |

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|    |         |          | refined proposal for reviewing the eligibility criteria would be highly welcome  |  |
| 42 | Italy   | General  | The constraints so far assessed in facilitating the use of the SAP by SIDS and the private are noted. It would be also useful to have some more indications on how to address the IEU review's Recommendation (5b) to develop a tailored approach to the private sector, including a separate sub-strategy for attracting the private sector. In this regard, we believe that SAP should have a time-bound approval and de-risking of investment activities in order to be attractive for the private sector.  | In the revised paper, Annex II paragraph 10 envision the development of a SAP programming guidance document, which will identify the opportunity to unlock private sector finance as well as how SAP can support SIDS in addressing urgent climate needs.  |
| 43 | Italy   | Approval | For the above mentioned reasons, while introducing some form of delegation authority for approval of specific SAP proposals is a clear objective for the future, we believe it is premature to introduce it at this stage. It would be more appropriate to have delegated authority for project approvals when simplified and tailored investment criteria are better identified, in particular concerning the concepts of "ready for scale up", implementation feasibility, innovation, and climate rationale. Delegation of authority also requires a prior clarification of the liability of the Board with regard to SAP projects. | <p>Noted;</p> <p>Concerning the clarification on the liability of the Board: the Board and the Secretariat constitute the GCF. Neither the Board nor the Secretariat is a separate entity with legal capacity. The Fund is the legal entity and possesses individual juridical personality to operate effectively internationally as provided in para 7 of the Governing Instrument (GI). The Fund as the legal entity is liable to third parties in respect of funding proposals (FPs) approved by the GCF, irrespective of whether the FP is approved by the Board or the ED.</p> <p>The Fund is accountable to, and functions, under the guidance of the COP to support projects, programmes, policies and other activities in developing country Parties using thematic funding windows (COP decision 1/CP.16, and Governing Instrument, paragraphs 4 and 6).</p> <p>The Fund is governed and supervised by the GCF Board that will have full responsibility for funding decisions. Accordingly, under</p> |

| # | Country | Section | Board comment | Secretariat Response   |
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|   |         |         |               | <p>the GI, the Board has the authority to approve funding and operational modalities, and funding structures. It is within the authority of the Board whether to delegate certain funding decision to the ED/Secretariat. This arrangement between the Board and the Secretariat is a matter of GCF's internal governance and procedures. The Board has delegated certain funding decisions to the ED before. For example:</p> <ul style="list-style-type: none"> <li>- Decision B.13.21 "<i>authorizes the Executive Director to approve the Project Preparation Facility requests based on an assessment of the request against the investment criteria of the GCF</i>" in an amount up to USD1.5 million per PPF request.</li> <li>- Decision B.13/09 "<i>Decides that, given the urgent need to support and expedite the formulation and implementation of national adaptation plans and other adaptation planning processes, the Executive Director can approve up to USD 3 million per country through the GCF Readiness and Preparatory Support Programme modalities [...];</i></li> </ul> <p>The review of funding proposals and funding decisions of the Fund, including reviews and approval of SAP FPs – irrespective of whether the Board or the ED will approve -, must be and are taken in accordance with the GI and the relevant policies and decisions approved by the Board. Under the GI, the Board approves operational policies and guidelines. The SAP FPs are subject to the same policies and requirements as with regular FPs (unless that the Board-approved SAP modality provides additional specific requirements).</p> <p>Therefore, the review and approval of SAP FP by the ED must be in accordance with the Board-approved policies and guidelines. For example, this is documented in Decision B.13/20</p> |

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|    |         |          |   | <i>“Decides that the simplified process will operate in accordance with GCF policies;” Accordingly, the SAP pilot scheme that was approved by Decision B.18/06 specifies that “unless otherwise specifically modified herein [by a Board decision], all other relevant GCF policies apply as usual to the Pilot Scheme.”</i>   |
| 44 | Italy   | Approval | We support the approach of having BBM approvals, including for projects/programmes, that entails limited ES impacts and risks. The 21day review period for potential BM objection is noted as a procedural safeguard, on the understanding that if the 21 day period is not met, the SAP proposal is automatically deferred to the Board.   | Based on the feedback received from the consultation, the approval in BBM has been revised as per Annex II, Table 1, stage 6.1.a. It is envisaged that if there is a specific request from a Board Member, received within the 21-day commenting period, to defer the approval/objection to approve or a request for conditional approval, the proposal will be referred to the earliest meeting of the Board for consideration. |
| 45 | Italy   | Approval | While in the evolution of the SAP some form of delegated authority to the SEC/ED is welcome, we believe it is premature to introduce it at this stage. It would be more appropriate to have delegated authority for project approvals when simplified and tailored investment criteria are better identified, in particular concerning the notions of "ready for scale up", implementation feasibility, innovation, and climate rationale. Delegation of authority also requires a prior clarification of the liability of the Board with regard to SAP projects, i.e. what are the criteria on whose basis the ED can decide to either approve the SAP funding proposal, approve it with the recommended covenants/conditions, or defer the approval to the Board? | Noted; please refer to the response in row 43.   |

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| 46 | Italy   | General | We are supportive of the recommendation (5b) included in the IEU Independent Review of the SAP to develop a tailored approach for the private sector, within a SAP modality/modalities strategy, including a separate sub-strategy. In this regard, we believe the SAP should have a time-bound approval and de-risking of investment activities in order to be attractive for the private sector. We believe that such tailored approach should be clarified and considered by the Board, together with other IEU recommendations, to respond to the USP goals for the SAP. In order to overcome challenges identified in the IEU review, a set of updated tools and SAP eligibility criteria approved by the Board is needed. | We welcome the recommendation and guidance. As noted above, in the revised version of the paper it is envisaged that a specific programming guiding document will be developed by the Secretariat, which will provide the modality on how private sector projects can capitalize on accessing GCF finance through SAP, once the approval of SAP will be different, predictable and faster than a regular proposal (PAP).   |
| 47 | Italy   | General | We would appreciate to see proposals by the Secretariat's based on the findings and recommendations 2b) and 3b) of the IEU Independent Review of the SAP on modalities to focus on developing processes for the post-approval stages of the SAP project cycle that are SAP-ready, as well as to provide a more coordinated timeline to provide one set of consolidated comments for each CN and FP. Also, we would welcome proposals by the Secretariat on how to better define key GCF concepts related to the SAP modality, such as climate rationale, scaling up and innovation.   | In the revised version of the paper, in Annex II section V, it is now indicated that, in alignment with IEU recommendations, the Secretariat will i) prioritize and expedite the clearance for SAP FAAs to have faster inception of the projects, and ii) will provide AEs with guidance on how to build a robust monitoring and reporting system that can expedite the preparation of the APRs and consequently the disbursements. The Secretariat has already taken action to develop specific SAP Standards Operating Procedures that envisage specific service time for SAP CNs and FPs review. The clarification of concepts related to the project preparation will be carefully detailed and guided within the SAP Appraisal Toolkit that the Secretariat will develop (Annex II paragraph 16). |
| 48 | Italy   | General | The SAP has showed so far a specific relevance for enhanced access for African States, LDCs and adaptation projects compared to the PAP, which should be valued and enforced. At the same time, the IEU review shows that further efforts should  | The Secretariat believes that the acceleration of approval for SAP proposals that would result from Board agreement on the proposed changes in the approval modality would benefit DAEs, SIDSs and all SAP users. We also believe that the capacity building activities and technical assistance that will be provided   |

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|    |         |          | <p>be pursued to ensure that the benefits of the SAP can be attained also for SIDS, DAEs and the private sector. Further specific recommendations from the Secretariat are welcome in this direction for Board consideration. Expanding the eligibility criteria for proposals with limited environmental and social risks may be beneficial for further interest of the private sector towards the SAP, a specific private sector sub-strategy.</p>   | <p>by the Secretariat (also recommended by the IEU) coupled with guidance on the appraisal standards that should be applied to the SAP will make it easier for the DAEs operating in SIDS and LDCs to fulfill the SAP requirements and get their SAP proposals approved.</p>  |
| 49 | Italy   | Annex II | <p>(Refers to annex II para 19&amp;20) This is a key element which we think should be preliminary to any update of the policy for review of the SAP, in terms of updating the SAP modalities in terms of approval process, delegation of authority and review of eligibility criteria. According to the IEU Review, there is some concern on the limited impact of the SAP value added in achieving the three expected outcomes, namely a) providing resources for meeting urgent climate adaptation needs of GCF priority countries; b) enhancing DAEs' access to the GCF while leveraging climate finance; and c) supporting projects that scale up ideas, and approaches that contribute to transformation change. Could the Secretariat better clarify the timeframe for the preparation and presentation to the Board of further recommendations (e.g. by B29?) and how these should be integrated/streamlined within the updating of SAP modalities?</p> | <p>As guided by the Co-Chairs, the Update of the SAP is now tabled for B.28. In the further revision of the draft paper commented on by the Board Members, the Secretariat has tried to integrate as much as possible the comments and inputs received, taking into account areas where there was both a convergence of views, and the goal of presenting a proposal that would have the type of real impact that we believe the initial SAP aspired to. The revised paper also addresses many of the IEU SAP assessment's recommendations to add value to the SAP for the GCF countries, AEs and all stakeholders.</p> |

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| 50 | Italy   | Annex II:<br>Table one | (Refers to annex II table 1 stage 6.2) How does this stage respond to the proposed recommendation of the IEU Independent Review regarding the updated of the full post-approval process, including in relation to the clearance of any conditions, and disbursements? How is this expected to impact expedition of the next stage regarding the legal arrangements of approved SAP proposals? Could the Secretariat please further elaborate on that? | <p>The revised paper highlights, in Annex II section V, the actions that can be taken, in alignment with IEU recommendations on post-approval, within the framework of the current policies that regulate the post-approval cycle and standards to be maintained for the disbursements of the GCF finance.</p> <p>These actions will include the prioritization of the clearance of conditions attached to approval (to accelerate the project inception) and the development of guidance on how to establish a robust reporting system that can simplify the APRs requirements while maintaining all of the needed safeguards and portfolio quality standards.</p>   |
| 51 | US      | Eligibility criteria   | How are "minimal to none" and "limited" defined? Who will make that judgment on what constitutes "minimal to none" vs. "limited" risk?  | <p>The ESS GCF policy (<a href="https://www.greenclimate.fund/document/environmental-and-social-policy">https://www.greenclimate.fund/document/environmental-and-social-policy</a>), defines activities with limited impacts as Category B - Activities with potential limited adverse environmental and/or social risks and impacts that individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures; and; those with minimal to none as Category C - Activities with minimal or no adverse environmental and/or social risks and/or impacts.</p> <p>Further information on the SAP activities can be accessed at the GCF Sustainability Guidance note "Screening and categorizing GCF-financed activities" can be accessed at <a href="https://www.greenclimate.fund/document/sustainability-guidance-note-screening-and-categorizing-gcf-financed-activities">https://www.greenclimate.fund/document/sustainability-guidance-note-screening-and-categorizing-gcf-financed-activities</a></p> <p>The assessment of the ESS risks is mandated to the AEs; the Secretariat will validate the assessment and ensure compliance with the GCF ESS framework.</p> |

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| 52 | US      | General | <p>We can anticipate that it may become hard to keep track of various proposals moving at different stages in the pipeline, and much would need to happen within the 21 days for each project proposal. Should we consider a mechanism to better bunch proposal submissions, e.g., through two or more SAP-specific Request for Proposals throughout the year, rather having open submission period all year round? This may also help with resource allocation and planning for the iTAP and Secretariat’s review efforts. And better advertising and marketing the RFPs throughout the year could attract more proposals</p> | <p>Annex II, Table 1 stage 2.3 includes the RfP as an option for the intake of SAP proposals.</p> <p>The Secretariat will update the GCF portfolio's information prior to each Board meeting and publish it on the GCF website. The SAP pipeline will be presented together with the regular pipeline report to the Board. This will provide to the Board a full overview of status of the projects.</p>   |
| 53 | US      | General | <p>We have some reservations about this approach and would like some more information before we can contemplate this option:</p> <ul style="list-style-type: none"> <li>- How is “minimal to no” E&amp;S impacts and risk defined? Who will make that judgment on what constitutes “minimal to no” vs. “limited” risk?</li> <li>- How many project funding proposals is this expected to impact?</li> <li>- Would there still be time efficiency gains if the Board were informed ex ante of the project proposals and retained a right to oppose an ED’s decision?</li> </ul>   | <p>The definition of the ESS risks and impacts is provided by the relevant GCF ESS policy and framework (link reported above). The determination of the risks is carried out at the concept note stage by the AE as a prerequisite to determining the eligibility of the project to SAP. The ESS Specialist within the Secretariat reviews the AEs' screening and assessment of the ESS risks and validates the information provided.</p> <p>The AEs generally understand the Secretariat's guidance on the determination of ESS risks, and we do not have evidence from the implementation of the SAP that projects excluded for SAP review at the CN state were negatively affected, as they can still be submitted as regular projects.</p> <p>The revised version (Annex II, Table 1) of the paper envisages that the Board will be regularly informed on the SAP pipeline eligible for ED approval and those that will be tabled for Board consideration at the Board meetings or as BBMs (Table 1, stage 4.1).</p> |

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|    |           |                   |   | If a Board member opposes/objects to the approval of a proposal or proposes a conditional approval within the 21 days commenting period, the SAP funding proposal will be referred to the next available Board meeting, both for the BBM modality and the approval from the ED (Table 1, stage 6.1).   |
| 54 | US        | Annex II: Table 1 | <p>It might be helpful to see a column with the amount of time each step takes (where possible), to see where there could be further efficiencies.</p> <p>Separately, is this how the activity cycle presented publicly? It is quite an involved table with an intimidatingly large number of steps, and could repel potential proposers.</p>   | <p>The SAP activity cycle in Annex II Table 1 followed the Board approved PAP cycle template, therefore, also in the revised version of the paper we are keeping a similar level of details.</p> <p>Following the approval of the policy, the Secretariat will update its SAP Standard Operating Procedures, described in the Secretariat's internal Operation Manual, where the timeline of each step under the control of the Secretariat and ITAP will be detailed, including the envisaged service time.</p> <p>The Secretariat can then develop visual-friendly infographics to explain and present the SAP activity cycle and use it for training and capacity-building purposes.</p>  |
| 55 | DK/NL/LUX | General           | <p>In order to ensure that the SAP becomes simpler, quicker and less burdensome, we would like to request that further options are explored to reduce the burden of document preparation in the application process. We note that "if all submission and review requirements (including the GCF investment criteria) continue to largely apply to SAP proposals, there are limits to the amount of further simplification that can be accomplished as regards the preparation and review of SAP proposals" (page 3). Would the Secretariat be able to provide suggestions of how to further limit the document submission requirements that apply to SAP proposals compared to PAP proposals?</p> | <p>The revised document is now more specific in Annex II Section IV on the actions that will be taken to further simplify the preparation and review of SAP proposals. These actions take into consideration the IEU recommendations formulated in the IEU independent assessment of the SAP, while maintaining the B.18/06 decision's requirements to apply the existing quality standards/policies for project-related policies are maintained. Actions undertaken to simplify the project preparation, will be to enhance the digitalization of the SAP submission and review process, further reduction of the documentation needed for SAP, and streamlining of the appraisal standards. The latter will give the AEs predictability on what is expected in terms of the content of the SAP funding proposal, allowing the AEs an efficient use of their preparation resources.</p> |

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| 56 | DK/NL/LUX | Approval            | In terms of Board approval, we strongly support rolling reviews by the Secretariat of SAP Proposals and related contingencies and introducing BBM approval of SAP Proposals and related contingencies.   | Noted   |
| 57 | DK/NL/LUX | Approval            | On the other hand, the suggested solutions on 1) delegation of approval authority to the ED for certain SAP proposals and 2) expansion of SAP eligibility to projects and programmes whose environmental and social risks are "limited" may be considered once more experience is gained of the SAP.   | Noted   |
| 58 | Norway    | General             | First of all, we strongly support the proposal in terms of making the approval process more efficient. If the proposal is approved, it will significantly reduce the number of days for review of SAP-projects. We see it as very positive, considering that the IEU independent assessment has found that SAP review process was only 8-15% faster than the PAP process. We also like rolling review of projects. | Noted   |
| 59 | Norway    | Excluded activities | Based on our experience with SAP 003 UNEP, we would like to highlight the need to put sufficient weight on the investment criteria "Impact potential", in particular the climate rationale. Under "Excluded activities under the simplified approval process" you may consider to include activities with no substantial climate impact. After all, the GCF is a climate fund                                      | In the revised version, there is further emphasis on the climate impact potential expected, for example, in Annex II paragraph 3 this concept is well stressed. |

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| 60 | Norway                | Excluded activities | We welcome that the list with "risk factors" includes activities that can affect the rights of indigenous peoples and local communities.  | Noted   |
| 61 | Norway                | Excluded activities | We also welcome the recognition of indigenous peoples, free, prior and informed consent.  | Noted   |
| 62 | Norway                | Approval            | The Secretariat should explain in the proposal who, in the window of 21 days, will be able to send comments to the ED.  | In the revised version of the paper, Annex II, Table 1 Stage 6.1.b is explicit on who will be able to share comments during the 21-day commenting period.   |
| 63 | Norway                | Approval            | The role of BM, if any at all, should be clarified for the modality «Delegation of approval authority to the ED for certain SAP proposals»  | In the revised version of the paper, Annex II, Table 1 Stage 6.1.b further clarifies the role of the Board Members, in particular it is now explicit that a Board member is in a position to request the ED the referral of a SAP proposal to a Board meeting.  |
| 64 | African Board members | Background          | In order to reflect the Board views more accurately we proposed that the Secretariat include the views expressed at B.25 as contained in the approved report of the meeting.  | The revised paper highlights, page 2 paragraph 6, that the Board comments received at B.25 have been taken into account.  |
| 65 | African Board members | Background          | It should be noted that the Board has not endorsed or welcomed the recommendations from the IEU, as such this needs to be reflected that the Secretariat is interpreting the IEU recommendations without these recommendations being vetted by the Board.                                     | In the revised paper it is now highlighted on page 2 paragraph 7 that at the time of the preparation of the policy document, the IEU assessment had not yet been discussed by the Board   |
| 66 | African Board members | Policy Rationale    | (Refers to para 13(a)) This is not an accurate reflection of the B.18 decision. The B.18 decision did not prejudice the use of a decision without a Board meeting as the RoP is clear that this mechanism is for an exceptional circumstance only, and the process to agree on the guidelines | Decision B.18/06, paragraph (c)(ii) says "develop a proposal for approving funding proposals [...] between meetings of the Board in the context of ongoing work to develop further options for decision-making". The RoP title 7.1 is "Decision between meetings". Decision B.18/06, Annex X (which contains the SAP Pilot Scheme), states in para 24 that "Funding Proposals whose |

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|    |                       |                                 | for cases is still ongoing We note again the incorrect use of the terms RoP by the Secretariat- there are NO provision for decisions between meeting, only a provisional that allows the CCs acting jointly to issue a decision without a Board meeting. | <p><i>approval is recommended by the Secretariat shall be submitted to the Board for consideration during its regular meetings, until such time as a process for approving Funding Proposals under this Pilot Scheme through in-between Board meetings is adopted by the Board.”</i> Between meetings suggest a period between two meetings where no meeting occurs.</p> <p>Pursuant to this and other Board guidance, the Secretariat is now bringing to the Board a proposal by which a SAP FP approval decision could happen “between meetings”. This proposal replicates the procedure established in the RoP. The paragraphs 41 and 42 of the RoP do not prevent the Board from separately authorizing, in advance, other decisions to be issued for approval between meetings. In fact, the Board has expressly authorized this previously. Please refer to Decision B.13/29, paragraph (f).</p> <p>Accordingly, it would not be inconsistent for the Board to decide in advance that it could approve funding proposals between meetings.</p> <p>Having said this, please note this proposal is being submitted in respect to the SAP FPs only, so it is separate from the discussions on the ‘guidelines for decisions without a Board meeting’ which are ongoing and that would eventually provide further clarity on the BBM procedure for all matters.”</p> |
| 67 | African Board members | Policy Rationale                | (Refers to para 13(b)) This is rather misleading. The problem with the rolling basis is the ITAP not the SAP modality and as such this needs to be reflected as a current deficiency of the ITAP assessment and working methodology.                     | The revised version is further highlighting the need for ITAP to review SAP differently and on a rolling basis. (page 7, paragraph 28, 32 (a), and in Annex II, paragraph 17).   |
| 68 | African Board members | Analysis of the policy proposal | It is unfortunate that the Secretariat is not applying paragraph 53 of the GI that called for a  | The revised version of the paper restates on page 1, paragraph 1 that the updated SAP policy responds to paragraph 53 of the GI.   |

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|    |                       |                                 | simplified approval process for certain small scale activities  |   |
| 69 | African Board members | Analysis of the policy proposal | (Refers to para 17(a)) Expanding SAP to projects with limited impacts contradicts the logic of revising the ITAP and secretariat review process   | The Secretariat does not fully understand the reference point for this comment. We would welcome any further clarification that could be provided to better address this specific point.  |
| 70 | African Board members | Analysis of the policy proposal | (Refers to para 18) Eligible activity is different than limited impacts and risks   | The section refers to a direct quote from decision B.18/06.<br><br>The review of the SAP presented at B.25 highlighted that the eligibility of activities for SAP has been mainly limited by the risk level parameter included in the initial SAP decision. Changing the risk level parameter has the effect of increasing both the number and types of activities that are eligible for SAP.                   |
| 71 | African Board members | Analysis of the policy proposal | (Refers to para 18(a)) Establishing a parallel approval process with no convincing reasoning would raise questions on intentions, specially that the process of BBM will not have a significant impact on the approval and implementation of the projects   | Noted.  |
| 72 | African Board members | Analysis of the policy proposal | (Refers to para 18(a)) Please use the correct term in the RoP para 41. We note that this incorrect terminology is used throughout this document. We will only make this comment once and expect all references to comply with the correct terminology of the RoP. It remains a concern that the Secretariat continues to use the incorrect terminology as contained in the RoP. | “The terms “in-between meetings” or “between meetings” have been used in the decision for the initial SAP pilot scheme (B.18/06, and its Annex X), as well as in the heading of paragraph 41 of the ROP. To some extent, it is interchangeable with the term “without a Board meeting”; however, the Secretariat has used the “in between meetings” formulation for consistency with the initial SAP decision.” |

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| 73 | African Board members | Analysis of the policy proposal | (Refers to para 19) As noted previously, B.18/06 did not envisage this action, it only requested a proposal to reflect on this option. The Secretariat continues to misrepresent the Board decision which is serious concern of the African members.   | <p>“In Decision B.18/06, paragraph (c), the Board requested the Secretariat to <i>“(ii) Develop a proposal for approving funding proposals brought forward under this Pilot Scheme between meetings of the Board in the context of the ongoing work to develop further options for decision-making;”</i>. As well, in Annex X to such Decision, it is states that: <i>“43. Funding Proposals whose approval is recommended by the Secretariat shall be submitted to the Board for consideration during its regular meetings, until such time as a process for approving Funding Proposals under this Pilot Scheme through in-between Board meetings is adopted by the Board.”</i></p> <p>Accordingly, the Secretariat is following the request and guidance set by the Board to bring to it a proposal by which “in between meetings” procedure is applied for the consideration approval of SAP FPs.</p> |
| 74 | African Board members | Analysis of the policy proposal | (Refers to para 19(a)) We are not in agreement with this suggestion. While this complies with B.18/09 decision, we believe the ITAP should not have the mandate to block an projects from coming to the Board. Rather, ITAP needs to become a more transparent body and rather share its concerns with the Board. We note however, this this issue is not a SAP issue per say and will be taken up under other agenda items, we wish to place on record our concern. | Noted. We understand that your reference is to Board decision B.17/09 decision (not decision B.18/09).  |

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| 75 | African Board members | Analysis of the policy proposal | <p>(Refers to para 19(b)) We do not agree with the use of para 41-43 as a mechanism for the approval of SAP projects. In fact, any matter under these rules must comply with the exceptional circumstance that the matter cannot be delayed. The Sec proposal does not address this matter, rather it proposes using the RoP as a mechanism to more speedy decision making, which is a gross misrepresentation of the RoP.</p> <p>Secondly, the mechanism as contained in 41-43 is not equitable or fair for AEs and countries to have their proposals considered.</p> <p>Third, the mechanism is binary and does not allow for reflection, sharing of views, amendment of conditions, or the expression of concerns- beyond place an objection on a project.</p> | <p>In the revised version of the paper it is now explicit (Annex II, Table 1, statge 6.1) that if a Board member objects to the approval or proposes a conditional approval within the 21 days commenting period, the SAP funding proposal will be referred to the next occurring meeting of the Board.</p>   |
| 76 | African Board members | Analysis of the policy proposal | <p>(Refers to para 20) These timelines are questionable as they relate only to the Secretariat's timelines for reviewing projects. The Board approval time for projects, is 21 days + the time of the Board meeting, meaning that should the Secretariat and ITAP process work efficiently, then the Board approval time is less than 25 every 3 months. The Sec and IEU evaluations prejudge that SAPs presented like this will be approved, which is not necessarily appropriate or correct and may in fact lead to greater reputational damage to the Fund, particularly if large numbers of projects are blocked due to the inability of Board members to make comments and revisions as appropriate.</p>   | <p>The timelines included in the Secretariat document were prepared on a theoretical model based on assumptions (the same adopted by the Secretariat's commissioned review of the SAP presented at B.25) with a view to creating a common understanding of the range of time benefits that could come from different actions related to a change of the approval modality of SAP compared to PAP.</p> <p>In the revised paper, the assumptions underlying the analysis were further elaborated for clarity.</p> |
| 77 | African Board members | Analysis of the policy proposal | <p>(Refers to para 20(c)) Paragraph 18 (c) of the Governing Instrument states: The Board of the</p>   | <p>The Secretariat appreciates the well-considered views of the African Group. We note, as is included in your comments, the</p>  |

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|   |         |         | <p>Fund will.... "Approve specific operational policies and guidelines, including for programming, project cycle, administration and financial management."</p> <p>Paragraph 19 (d) of the GI, further states: The Board of the Fund will ..... "Approve funding in line with the Fund's principles, criteria, modalities, policies and programmes."</p> <p>Paragraph 23 (f) of the GI states: The Secretariat will.... "Operationalize the project and programme cycle."</p> <p>The job description of the ED paragraph 2.1 (f), states the ED will: "lead the Secretariat's efforts in supporting the Board with the continued development and implementation of: (i) The Fund's operational modalities, access modalities and funding structures; (ii) Specific operational policies and guidelines, including for programming, project cycle, administration and financial management, as necessary; (iii) Funding criteria, modalities, policies and programmes."</p> <p>The job description of the ED paragraph 2.1 (g), also states the ED will "(vi) Operationalize the project and programme cycle processes";</p> <p>While the Board may mandate the ED to "Perform any other functions assigned by the Board," as it has in relation to the approval of readiness support and PPF proposals, the Board as the apex body of the GCF is not able to further delegate the approval of funding proposals to the ED who is appointed to lead the Secretariat and not the Fund.</p> <p>Additionally, the Board in decision B.17/CC</p> | <p>cases in which the Board has delegated authority to the Executive Director. The Secretariat also notes paragraph 32 of the Governing Instrument which states that "<i>The Board will steer the Fund's operations so that they evolve with the Fund's scale and maturity and will exercise flexibility to allow the Fund to evolve over time and become the main global fund for climate change finance.</i>" The Secretariat fully understands that the prerogative to take related decisions rests with the Board.</p> |

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|   |         |         | <p>updated the project and programme activity cycle, which further spells out the roles and responsibilities of the Board, the ITAP, the Secretariat, Accredited Entities and the NDAs/FPs. In this regard, we note the following (in relation to paragraph 18 (c) of the GI:</p> <p>The role of the Board is set out in stage 6.1 which states: "The Board takes a decision to: (i) Approve the funding proposal; or (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 role of the Secretariat in the pre-approval phase, as led by the ED, is outlined in stage 1 to stage 5.1 and stages 5.3;6.2; 6.3; and 7. The Secretariat is mandated by Board decision B.17/09, paragraph (d) and (i) to only submit funding proposals that meet certain operational criteria. The Secretariat is also mandated to follow up and ensure implementation of the Board approval include the monitoring of the implementation of conditions and to concluded the post approval legal agreements.</p> <p>The role of the ITAP, as outlined in stage 5.2 and its ToR (Decision B.09/10) and Board decision B.17/ 09, is to provide recommendation to the Board. The ITAP is not mandated to make recommendations to any other body in the GCF.</p> <p>The African members are clear that there are no legal grounds to delegate any further functions to the ED, tin particular the functions of the Board</p> |                      |

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|    |                       |                                 | related to the approval of funding proposals.   |  |
| 78 | African Board members | Analysis of the policy proposal | (Refers to para 25) This is not correct, we note a number of SAP projects have a) been substantially re-designed by the Board b) been subject to political votes.   | The statement in Para 25 refers to the content of the IEU assessment which stated: " <i>The review of Board meeting discussions on SAP proposals indicated that none of the projects received any significant comments from Board members (except for SAP003).</i> "<br>The revised paper provides further details on the IEU quote, including a specific foot note (paragraph 26 (c) page 7)..  |
| 79 | African Board members | Analysis of the policy proposal | (Refers to para 32(a)) Misleading information that is based on high end range of PAP (not accurate) and with addition of numbers ....101 days compared to high end..while board meetings are held every 125 days  | The timelines included in the Secretariat document were prepared on a theoretical model based on assumptions (the same adopted by the Secretariat's commissioned review of the SAP presented at B.25) with a view to creating a common understanding of the range of time benefits that could come from different actions related to a change of the approval modality of SAP compared to PAP.<br>In the revised paper, the assumptions underlying the analysis were further elaborated for clarity. |
| 80 | African Board members | Analysis of the policy proposal | (Refers to para 32(d)) The logic needs to be revised, does it say to attract more SAP projects we need to be flexible on risks and impacts .....!!!!!!  | The Review of the SAP considered by the Board at B.25 found that the restriction of the eligibility of SAP activities to no/minimal environmental and social risks/impacts was one of the factors that limited the uptake of the SAP by the private sector and recommended that eligible activities for SAP are expanded to the limited environmental and social risk category. Please refer to GCF/B.25/12 Annex II paragraph 13 (g).   |
| 81 | African Board members | Analysis of the policy proposal | (Refers to para 32(d)) It is our view that this element is the key to the future of the SAP. In this regard, we would like to see a revised proposal on the following lines:<br><br>Increasing the SAP to cover small scale projects in order to move from the pilot phase to a permanent SAP that complies with the governing instrument | The revised policy paper acknowledges the receipt of the proposed option to expand the contribution of GCF finance the SAP funding proposal up to USD 50 million (page 9 paragraph 35). It also clarifies that, since this option was not considered either in Secretariats review of the SAP or the IEU evaluation of the SAP, it is not included in the  |

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|    |                       |                                 | <p>to address "certain small-scale activities." This would mean a SAP process for an overall maximum contribution of USD50 million</p> <p>Increasing the risk profile of the SAP to go beyond projects with no or limited ESS;</p> <p>Targeting a higher % of direct access entities in the SAP</p> <p>Lifting the overall resource allocation cap on SAP projects from the pilot phase, to make it an open-ended approach</p> <p>Utilising a more direct approach to scale up 1 projects already under or that have completed implementation, and funded via the Adaptation Fund, the LDCF, the GEF, the CIFs. In this regard, the GCF will building upon the project eligibility standards of other Funds, as the GCF does with the fast-track accreditation process.</p> | <p>revised policy, and that its operational feasibility would require further analysis and consultation.</p> <p>In the revised policy paper, Annex II paragraph 3 now stresses that SAP aims to scale up successful projects and approaches already piloted by the other climate funds.</p>  |
| 82 | African Board members | Analysis of the policy proposal | (Refers to table 1) With the exception of the rolling basis review, the rest of the so called gains are questionable, specially the number 167 days with board meeting almost every 120 days ...  | <p>As mentioned above, the timelines included in the Secretariat document were prepared on a theoretical model with assumptions (the same adopted by the Secretariat's commissioned review of the SAP presented at B.25) with a view to creating a common understanding of the range of time benefits that could come from different actions related to a change of the approval modality of SAP compared to PAP. In the revised paper, the assumptions underlying the analysis were further elaborated for clarity.</p> |

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| 83 | African Board members | Analysis of the policy proposal                    | <p>(Refers to para 34) This is again a clear example of the Secretariat’s limited use of the RoP. Paragraph 21 which states “ The Secretariat will transmit to Board members and alternate members the documentation relating to items on the provisional agenda at least 21 calendar days before the first day of the meeting scheduled, except in case of extraordinary meetings and in exceptional circumstances where, in the view of the Co-Chairs, a shorter period for the transmission of documentation is warranted. In any such cases, the Co-Chairs, acting jointly, shall determine the date by which the said documentation has to be transmitted.”</p> <p>In this regard, should the Secretariat receive a completed SAP one day after the initial 21 days, the CC have the authority to inform the Board and transmit the FP to the Board for consideration. In fact numerous revisions to term sheets are often presented to the Board after the initial 21 day deadline without impacting the Board’s decision making process, as such this statement is incorrect.</p> | <p>The rule in paragraph 21 of the ROP for regular meetings is that the Secretariat transmits the documents related to the agenda items at least 21 days before the start of the meeting. If the documents are not finalized or ready to be circulated to the Board by the relevant cut-off date (the publication deadline), then the Co-Chairs may authorize and allow transmittal of documents with a shorter period. This rule and practice will also apply for transmittal of the SAP FP packages to the Board</p> |
| 84 | African Board members | Impact assessments and implementation arrangements | <p>(Refers to para 38) These recommendations if applied to the current process of SAP will provide for a significant reduction in time without changing any of exisiting modalities except for rolling review</p>  | <p>Noted</p>   |
| 85 | African Board members | Impact assessments and implementation arrangements | <p>(Refers to para 40) Can the Secretariat explain why 12 months is needed?</p>  | <p>The Secretariat considers that if the presented modalities are approved, guidelines and engagement with AEs and NDAs will be needed to guide and explain the changes. Also internal changes will need to be made at the Secretariat level.</p>  |

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| 86 | African Board members | Decision text                  | We cannot agree to this paragraph unless the issues we have raised are addressed.   | Noted  |
| 87 | African Board members | Decision text                  | <p>This paragraph is inconsistent with the GI para 53 which states: "The Fund will have a streamlined programming and approval process to enable timely disbursement. The Board will develop simplified processes for the approval of proposals for certain activities, in particular small-scale activities."</p> <p>In our view the SAP is not distinct or stand-alone for the project and programme activity cycle. This paragraph in our view is a blanket rejection of the current cycle and is not supported.</p> | Annex II, Table 1, reflects the stages approved by the Board in the GCF Proposal Approval Process (Decision B.17/09). It updates those stages to reflect the peculiarities already decided by the Board in decision B.18/06 and reflects the updates to the SAP proposed in the current policy.  |
| 88 | African Board members | Decision text                  | In terms of para (c) and (d) ( note the errors), we do not see the SAP decision interfering with the ITAP modalities decision, and the Board should rather address these matters in the appropriate location.   | In the revised paper the paragraph has been removed.   |
| 89 | African Board members | Annex II: Eligibility criteria | (Refers to annex II para 4(a))This should be extend to comply with para 53 of the GI and include a GCF contribution up to 50 million  | As mentioned above, the revised policy paper acknowledges the receipt of proposed options to expand the contribution of GCF finance for SAP funding proposals up to USD 50 million (page 9, paragraph 35). It also clarifies that since this option was not considered in the 2 reviews of the SAP, it is not included in the revised policy, and its operational feasibility would have required further analysis and consultation. |
| 90 | African Board members | Annex II: Excluded activities  | We do not see any assessment of these excluded activities from the pilot phase to this second phase. Should these activities remain, then this would display a conflicting view that the GCF and its Board has a high risk tolerance and as such should these activities remain ineligible it would present a conflicting view to the views expressed   | The "risk factors" identified in 5 (a-f) are risk factors that define "high risk" activities that would fall under Category A type of activities. Hence, these will continue not to be funded under the SAP.   |

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|    |                       |                               | in the USP   |   |
| 91 | African Board members | Annex II: Excluded activities | (Refers to annex II para 9) Please explain this requirement as it goes beyond the no-objection procedure   | This means that any FP that will be classified as Category B (activities with potential limited adverse environmental and/or social risks and impacts) will still need to fulfill all the requirements similar to any regular FP being considered by the Board.   |
| 92 | African Board members | Activity cycle                | (Refers to annex II para 12) Why does this exclude adaptation, and why is this competency shared between the Sec as well as ITAP?  | In the revised version of the paper the paragraph has been revised (Annex II, paragraph 14 and 15) to further stress that SAP shall apply different standards than PAP when it comes to preparation and reviews.  |
| 93 | African Board members | Evaluation of the SAP         | (Refers to annex II para 18(a)) Please use language in para 2 of the GI to reflect the paradigm shift rather than transformative change  | Based on the comments received, the paragraph has been now re-drafted in the revised paper.   |
| 94 | African Board members |                               | (Refers to annex II para 21) This does not make any sense at all. If, as stated above, the SAP will be reviewed as part of the 4 year work plan and the SAP is operational by March/April 2022, this will mean a SAP review in 2023, with less than a year of implementation experience. As such if the Sec maintains the need for 12 month to full implementation, then the SAP review should only take place in the policy review cycle of GCF-2 period. | As stated above the Secretariat considers that if the presented modalities are approved, guidelines and engagement with AEs and NDAs will be needed to guide and explain the changes. Also, internal changes will need to be made at the Secretariat level.<br><br>While this will require some months to be completed, we indicate “no later than twelve months”, meaning that if the appropriate capacity and resources are in place, the effectiveness of the new approval modalities can enter into effectiveness even earlier. |
| 95 | African Board members | Table 1                       | (refers to table 1 the SAP activity cycle) As noted above we are not in agreement with this standalone SAP activity cycle. In fact para 53 is clear about a simplified approval process, i. one process that may have several dimensions/options.<br>We reserve the right to provide additional comments on the specifics in this table.   | Noted   |

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| 96 | Japan   | Annex II: Excluded activities | Page 13, Annex II. Para 15 (b): It is proposed that the SAP funding proposals which have been assessed as entailing minimal to no adverse environmental and /or social risks and/or impacts, the approval authority is delegated to the Executive Director. However, in order to secure the governance of the GCF, the Board control needs to be secured. The Board will take decisions even for SAP funding proposals at a Board meeting or in-between Board meeting. | In the revised version of the paper it is further clarified, in Annex II, Table 1 Stage 6.1, that the Board Members are in a position to request the referral to a Board meeting of a SAP proposal within the 21-day commenting period.                             |
| 97 | Japan   | Efficiency gains              | Page 7, Para 32 (d): Please provide an analysis on time increase due to expansion of eligibility of SAP while table 1 "Efficiency gains in the SAP review process vs. PAP" shows reduced time thanks to timesaving actions.  | The Secretariat would review proposals considered to have limited environmental and social risks within the same timeframe for projects with minimal to no environmental and social risks. The same would be expected for ITAP reviews and the approval mechanisms. |
| 98 | Japan   | Policy rationale              | Page 2, Para 10 (c): As indicated, the usability of current SAP on-line submission system shall be further improved: i.e. the current system is very slow; formatting such as numbering is changed after copy and paste; insertion of figures is not allowed; and as a result, it will take nearly a half day to upload a SAP funding proposal. If uploading a Word file itself is allowed, it will be very convenient.  | In the revised Board paper Annex II, paragraph 12 (d) takes action to improve the SAP Online Submission System.   |