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CLIMATE
FUND**

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4 – 7 October 2021

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Provisional agenda item 5(b)

GCF/B.30/06/Add.01

23 September 2021

Response matrix for Board comments received on the draft document “Update of the simplified approval process”

Summary

This document contains the response matrix for Board comments received on the draft document titled “Update of the simplified approval process” during the Board consultation period held prior to the thirtieth meeting of the Board.

Response matrix for Board comments received on the draft document “Update of the Simplified approval process” – Board consultations prior to B.30

#	Country	Section	Board comment	Secretariat Response
1	Republic of Korea	Analysis of the policy changes considered	<p>I appreciate the Secretariat’s efforts in developing options to further improve SAP efficiency and effectiveness in line with B.18/06 and B.28/03.</p> <p>With regard to proposed options, however, it seems that provision of additional explanation might be helpful for clarification.</p> <p>For instance; 1) para 42. Simplified Proposal Review: Could you explain how developing a checklist could substantially provide simplified process to AEs, compared to current conditions? Is there such a checklist at this moment? In addition, what are concrete measures that will be taken to ensure expeditious review by the Secretariat and iTAP?;</p>	<p>The SAP review checklist is under development as part of a SAP review tool, and will support the review of SAP FPs by streamlining the approach to the appraisal of SAPs and focusing the time and efforts of the reviewers on the elements that are considered essential to the quality of a SAP project/programme financed/co-financed by the GCF.</p> <p>The checklist will identify and describe the evaluation elements that, in each section of the SAP FP, define the quality at entry of the SAP funding proposal, in accordance with the GCF investment framework and the GCF approved project-relevant policies.</p> <p>Overall this tool is expected to help AEs, especially DAEs, in preparing and accelerating the preparation of SAP proposals, as it will make clear and predictable where to invest time and resources in the elaboration of a SAP project/programme.</p> <p>The review tool/checklist is only one of the many actions that the Secretariat is working on to help simplify and accelerate the SAP process. Additional measures are outlined in Annex III of the document and include the development of more simplified templates for SAP concept notes, the expansion of SAP review capacity to expedite the SAP review; the development of a set of guided templates to facilitate expedited development and review of widely</p>

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				demanded project types and the scale up of project types that have proven successful in other context.
2	Republic of Korea	Analysis of the policy changes considered	2) para 44. Developing fast-tracking processes: Could you further develop in detail how these scaling-up activities could potentially contribute to accelerating fast-track of SAP approval? Will there be any special consideration for the climate vulnerable countries (and their DAEs) while developing fast-tracking processes?	The fast-tracking processes outlined in paragraph 44 of the consultation document will use SAP supported funding proposal guided templates to accelerate/fast track the development and approval of certain project types that have been widely demanded by developing countries, and project types that have proven successful in other contexts, including in other climate funds. The templates will address common factors in those project types in a manner designed to satisfy some of the GCF investment criteria. Through the use of these templates, countries and AEs pursuing related project types could benefit from historic determinations of climate rationale and feasibility, thereby reducing their need address more general aspects of the proposals, and enabling them to focus more specifically on the applicability of the proposal to the country context. This should enable a lighter review which will save substantial time and effort on both the development and review processes. The fast-track process could benefit all countries and all AEs submitting related SAP projects. That said, the reduction in the project preparation burden may particularly benefit DAEs who have less experience with the development of GCF funding proposals.

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3	NL/LU/DK	General	<p>We are pleased to see this new and improved version of the document. It is critical to get this update of the SAP approved no later than B.30.</p> <p>We can support option no. (i): expanding the SAP programme eligibility to projects and programmes that involve potential limited adverse environmental and/or social risks and/or impacts as defined as Category B and medium level of intermediation (I2) in the GCF's Environmental and Social Policy. This proposal will require further emphasis on sufficient due diligences and proper involvement and consultation of relevant stakeholders and CSOs during the project preparation phase as well as the board approval phase if option (iii) regarding the introduction of in-Between Board Meeting (BBM) approvals on a non-objection basis by the Board for SAP projects/ programmes is adopted.</p>	<p>Noted.</p> <p>The GCF ESS framework and policy standards and requirements will be applied to SAP FPs in the same manner and to the same degree that they are applied to regular GCF PAP projects, including FP preparation requirements. Consequently, the development of ESMF/ESMS, ESIA/ESMP, and other relevant frameworks/plans including stakeholders' consultation report and the associated information disclosure standards will be met.</p> <p>Overall, the proposal is designed to ensure that the GCF CSOs and PSOs (through the AOs) are able to participate in the review and approval of SAP projects to the same extent that they are able to participate in the review of all other GCF projects. That said, the comments are meant to inform a no objection process – not to suggest changes in the proposals or conditions to their approval. In that regard, AOs comments will be circulated for the consideration of the Board members, and with the understanding that the comments may inform BM decisions to object or to refrain from objecting to the no objection approval of the proposal.</p>
4	NL/LU/DK	General	<p>We are concerned about option no. (ii): Expansion of SAP eligibility to proposals with a GCF contribution of up to USD 50 million. The SAP should only cover micro-small scale projects/programs and larger projects/programs should be presented at the Board meeting to ensure the highest level of transparency and due diligence. Para 53 of the GI states the following: "The Fund will have a streamlined programming and approval process to enable</p>	<p>According to the Board's approved definition of project sizes, small projects are up to USD 50 million (Decision B.10/17). The expansion to USD 50 million in GCF financing for the SAP has been included as an option for discussion by the Board in response to a</p>

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			timely disbursement. The Board will develop simplified processes for the approval of proposals for certain activities, in particular small-scale activities.”	proposal and request by a group of Board members during prior consultations (GCF/B.28/08/Add.02).
5	NL/LU/DK	General	We support option (iii) regarding the introduction of in-Between Board Meeting (BBM) approvals on a non-objection basis by the Board for SAP projects/ programmes. In order to ensure sufficient transparency, it should be clear in para 36 (d) that the written comments received from Board members, alternate members, and active observers and responses to those from the Secretariat will be shared with all Board members and alternates and active observers as soon as possible and within the 21 day review period.	Noted. The Secretariat has added language to clarify that all written comments from BMs and AOs, and any Secretariat/iTAP/AE responses, time permitting, will be shared with Board members and Alternate Members within the 21 day review period to inform their view relative to agreeing a no objection approval of the proposal.
6	New Zealand, Ireland and Spain	General	We appreciate, the clarity of exposure of the considered policy changes in the SAP Consultation draft of 19 July. We welcome the measures to improve SAP efficiency and effectiveness, improving support and simplifying templates. We specially welcome the improvements proposed with regard to information demands.	Noted.
7	New Zealand, Ireland and Spain	General	Regarding the increase in SAP cap to USD 50 M and in the degree of ESS risk, we would prefer to see that the whole process is really more simple and works well with the current eligibility criteria, and then expand eligibility if we think it is appropriate. In short, we’d prefer a step by step approach.	Your comment is noted. The document presented to the board includes a series of measures and options that the Board may wish to consider. For example, for the purpose of simplification, the Secretariat proposes to make SAP concept notes optional rather than keeping them mandatory, as per the current SAP pilot. Moreover, in that context, Board members may

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				advocate for, and the Board may agree to approve some, rather than all of the measures outlined.
8	New Zealand, Ireland and Spain	General	<p>Some questions: Is there a reason why a \$25 M or \$50M cap was selected?</p> <p>Would AE might be disincentivized to present bigger projects if they can access GCF funds through a simplified process, using SAP modality with a \$50M cap?</p> <p>Does an increase in ESS risks worths a wider attraction of the private sector?</p>	<p>The Secretariat has proposed a series of options based on the consultations prior to B.28 and a set of bilateral consultations in May/June 2021. During the initial consultations, a group of board members presented a proposal to raise the GCF contribution for SAP proposals to USD 50 million. During the bilateral consultations following B28, the Secretariat heard diverse views on this proposal. In the latest consultation document, the Secretariat reviewed the implications of maintaining the status quo and addressing the USD50m proposal of the group of Board members, and modelled both the potential impact of an extension of GCF finance and an expansion of the activities to proposals that present limited risks (Cat B/12). Having modelled the two positions, the secretariat performed a sensitivity analysis based on the midpoint of a USD 25 million scenario. In the comments received on the draft proposal circulated in July, a proposal was made to increase the current USD10M threshold to USD20M. Annex IV of the final B.30 document presented to the Board, evaluates these options, as well as the increase to USD 30M and USD 40M.</p> <p>Assuming that the Board approves a range of proposals aimed at simplifying and accelerating the SAP, AEs and DAEs will have an increased incentive to use the SAP and it is very likely that some AEs, and some developers of private sector proposals may</p>

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				choose to access GCF finance through SAP rather than the regular project approval process (PAP) for some project types.
9	New Zealand, Ireland and Spain	General	We would have liked to have retained the ability of ED to approve some SAPs. We think we should aim at seeing the ED approving low cost (under 10m) SAPs at some stage.	During the Board’s B.28 discussion of the last draft of the SAP proposal, the proposal for ED approval of some SAP proposals was objected to by a significant number of Board Members, with several Board Members indicating that this was a “red line” issue for them. This view/position is consistent with the Board Member discussions that took place during the development of the USP. As noted by the IEU in its review of the SAP, experience from other institutions has shown that delegation of approval for small scale projects is typically given when related organizations reach an appropriate state of maturity. Based on this understanding, the IEU recommended that the approval of some SAPs be delegated to the ED. That being said, the Secretariat recognizes that this is an issue for the Board to decide and stands ready to implement a delegation if and when the Board determines it is appropriate.
10	New Zealand, Ireland and Spain	General	We think BBM decisions should only be for the \$10m category, as we think BBM is only feasible at the \$10m mark: once proposals get more complex, possible questions and objections, might delay the process. We would also want to make sure we had early access to Active Observer comments since these are really useful in consideration of proposals.	Noted. The way the policy and related decision were drafted, the Board may decide to retain the current \$10m GCF funding threshold. As to AOs, the document will make clearer that all AOs comments will be shared with Board members and Alternate Members within the 21 day review period.

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11	Italy	General	<p>In general terms, we agree with the present proposal which reflects our initial and previous concerns. We would like to encourage its approval soon.</p> <p>Some specific comments:</p> <p>a) we appreciate the elimination of the delegated authority;</p> <p>b) we have no major objections in raising eligible projects to those with potentially low social and environmental risk / impact category B: it could favor the attractiveness of the SAP and also improve its access by the private sector as also underlined in the review of the IEU, as well as of course of the AEDs. As regards the trade-offs between the expansion of eligibility for this category of projects and the risk profile for the fund, the "low risk approach" seeks to ensure that raising eligibility to higher potential risk categories does not reduce the information requirements, making it possible to maintain a risk analysis profile for these projects in line with the policies in force also within the framework SAP. Consequently, we do not see great risks in increasing the eligible projects up to USD 50 million of GCF projects (in line with the category of "small" projects of the GCF classification), compared to the increase to 25 million of the previous proposal;</p> <p>c) as regards the approval mechanism for SAP projects "in between meetings", it seems that the proposal is going in the right direction. However please see our comments on some aspects which are not entirely clear (i.e. ITAP and AE contributions to Secretariat's responses and Co-chairs' role). In general we believe that specific technical sessions could solve the problems;</p> <p>d) finally, we have a question about the status of the assessment on how much a simplification of the review criteria - both in the SAP and in the normal approval process - can actually lead to gains in terms of effectiveness and efficiency in the preparation of project proposals.</p>	<p>Noted.</p> <p>Concerning point d, the Secretariat has not yet carried out a specific assessment on the impact of a change/reduction of the investment criteria only for SAP (investment framework).</p> <p>From the review of the SAP pilot, much of the preparation and review effort seems related to the studies and requirements set by the different project related policies (ESS, gender, risks, RMF/IRMF, compliance, etc.) which are also the drivers of the length of the review process.</p> <p>As regards the development of SAP specific investment criteria, the Secretariat would note that the GCF's investment framework, including its subcriteria and assessment factors, are at the heart of GCF's project approval process and were carefully negotiated to consensus over the board's first nine meetings. The fact that the IEU directed its recommendation on SAP specific investment criteria to the Board reflects an understanding of the fundamental and sensitive nature of crafting and/or changing GCF investment criteria. Indeed, following the approval of the investment framework, related pilot investment criteria indicators were carefully negotiated by the Board over 12 Board meetings. As noted previously in response to Board member comments, the Secretariat's is working on a number</p>

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				of different investment framework papers and in particular, will soon be working on the Decision 22/15 mandate for the Secretariat to review the pilot investment criteria indicators. The secretariat will use these efforts, as relevant, to provide information for the consideration of the board on possible SAP specific investment criteria.
12	Italy	Analysis of the policy changes considered	[Refers to paragraph 36(d)] We believe that coordination with ITAP and AEs are welcome for ensuring full appraisal and completeness of information provided by the Secretariat in response to comments of BMs/ABMs. If this information is not provided, Secretariat should consider whether a specific technical session can be organized and/or defer the project to the next meeting - not expecting a huge delay in approval since there would be a six-time-a-year review window.	Noted. The Secretariat has added language to clarify that all written comments and the Secretariat/iTAP/AE responses will be shared with Board members and Alternate Members within the 21 day review period. Further we have clarified that if requested and/or thought useful, the co-chairs may facilitate technical sessions and/or discussions among Board members and alternates on such submissions, keeping in mind the no-objection nature of the process.
13	Italy	Analysis of the policy changes considered	[Refers to paragraph 36(e)] The role of Co-chairs should be better clarified here, to avoid consultation processes that may be criticized formally or have asymmetries in discussions, i.e. co-chairs can promote technical sessions to discuss objections, request for changes or conditions in an open and inclusive manner.	The revised version of the paper clarifies the role of the Co-chairs in the BBM process. As regards technical sessions the policy states that if requested and/or thought useful, the co-chairs may facilitate discussions among interested Board members and alternates on related submissions. In that regard, the proposal has been modified to state that all BMs and alternates would be invited to participate in any related consultations. That being said, the primary impetus behind the proposed framework is based on the concept that the SAP proposals are submitted to the Board for a no

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				objection review. Indeed, virtually all SAP proposals to date have been approved without objection. Accordingly, while the Secretariat will strive to address any comments and questions within the review period, if any objections remain at the end of the 21 day review period, the proposal would, consistent with the rules of procedure, be submitted to and discussed at the next meeting of the Board . The revised version of the paper clarifies the role of the Co-chairs in the BBM process.
14	Italy	Analysis of the policy changes considered	[Refers to paragraph 38] In this regard, we are supportive of the establishment of a SAP tailored capacity building programme in coordination with the RPSP and PPF. Particular attention should be posed here on enhancing DAEs' access to the GCF while leveraging climate finance. Cooperation between DAEs and private sector should also be sought.	Noted.
15	Italy	Analysis of the policy changes considered	[Refers to paragraph 40] We agree on capacity building initiatives targeting DAE, NDAs and Private Sector, also in line with recommendations 4b) and 5b) of the IEU rapid Assessment.	Noted.
16	Italy	Analysis of the policy changes considered	[Refers to paragraph 44(b)] We support this proposal, particularly as regards scaling up of activities in coordination with other climate funds. As for replication, it can be explored as well; please clarify if any criteria should be put in place to avoid double funding (inefficient overlap of activities).	The current secretariat project/programme review process includes a careful consideration of the proposal under consideration to ensure that it does not duplicate a similar activity that has been or is being implemented in the country. This review for duplication will continue for SAP proposals, As regards replication, we refer primarily to the possibility that activities that have been evaluated as climate relevant and impactful can be expanded in

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				other communities/districts/regions where there are similar climate needs, underlying assumptions and economic, social, environmental and physical operating conditions
17	Italy	Annex II: Eligibility criteria of projects/ programmes under the simplified approval process	[Refers to Annex II paragraph 3] We wish to recall 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. We assume this will be also reviewed in conjunction with the ongoing investment framework policy review. However, during the last CC consultation session on evaluations last March, the Secretariat pointed out that an assessment of the extent as to how a simplification of review criteria could bring additional efficiency and effectiveness was not yet carried out. Is there any update in this regard?	The Secretariat expects to undertake this review in the context of ongoing review of the investment framework indicators (decision B.22/15 Annex VIII par 6) as further elaborated in our reply above.
18	Germany	General	<p>We welcome clarifications concerning the process for taking SAP decisions without a Board meeting and also welcome the addition that the Secretariat will maintain quality control at all stages of the review process - even when using independent experts.</p> <p>We highly appreciate that this document addresses not only the review process, but also the preparation of SAP proposals as it has scope for becoming simpler and less time intensive for applicants. This reflects the characteristics of urgent developing country needs and should simplify access to GCF , e.g. for DAEs. It reflects that the Secretariat acknowledges, so far, AEs/DAEs have seen</p>	Noted.

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			limited added value of using the SAP process and that, with the current format, the SAP is hardly a simplified approval process.	
19	Germany	Decision	We are disappointed that the option of a delegated authority to the Executive Director to approve SAP proposals has been deleted while noting that there has been opposition to this during the Board consultation. In our view, the previous draft had included a good compromise solution to delegate decision-making to the ED, while allowing the Board to be able to provide comments and request the deferral to the next Board meeting prior to the ED's decision, thereby allowing the option for the decision to be taken by the Board if it so wishes. We believe this would have been a good way to pilot decision-making by the ED. As a compromise we would be ready to agree to the proposed suggestion of BBM.	During the Board's B. 28 discussion of the last draft of the SAP proposal, the suggestion for ED approval of some SAP proposals was objected to by a wide group of Board members, with several Board Members indicating that this was a "red line" issue. This view is consistent with the discussions of Board members that took place in the development of the USP. As noted by the IEU in its review of the SAP, experience from other Board's has shown that such delegation is typically given when related organizations reach a state of maturity. Based on this understanding, the IEU recommended that the approval of some SAPs be delegated to the ED. The Secretariat recognizes that this is an issue for the Board to decide, and stands ready to implement a delegation if and when the Board determines it is appropriate.
20	Germany	General	Increasing the GCF funding volume above USD 10 million was not considered before B.28. However, it was suggested by one of the twelve sets of feedback received during the Board's initial consultations (Jan/Feb 2021). In B.28, the Secretariat highlighted the need to further analyse the operational feasibility of the extended funding envelope. While this document indicates the number of approved projects between Jan 2018 – Dez 2020 that could have been approved faster, if the contribution limit had been set to USD 50 million from the beginning, it makes no reference to the operational feasibility. Annex I and II of this document refers to programmes with a "GCF contribution of up to USD [25] or [50] million". For us it is not clear where these figures are derived from. Especially with simplifying access and allowing also categories with limited risk category (B) to be considered for SAP proposals, we do not agree to raise	The proposal to increase the GCF funding threshold for SAP projects to USD 50m was made by a group of Board members, and their desire to see this proposal reflected in the next version of the Secretariat's SAP document was made clear by several of those members during B. 28. In the consultations following B. 28, several Board members requested information on what the results might be if different GCF funding thresholds were agreed. As a result, the Secretariat included in the July consultation document a portfolio analysis and a related sensitivity analysis that considered the

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			the limit beyond the 10m for SAP proposals. For us raising the limit would only be an option, if this is clearly linked to scaling up existing and successful projects either from the GCF itself or other funds.	<p>implications of a USD 50m threshold with and without an expansion of the ESS risk category to limited risks for SAP. It also ran a sensitivity analysis at the midpoint/USD25m level. Based on the comments received on this consultation draft, the Secretariat will also consider the implications of a USD20m cap, and the implications of additional thresholds such as USD 30m and USD 40m.</p> <p>Regarding operational feasibility, as noted in , paragraph 43 of the consultation draft, the capacity of the Secretariat to deal with the increase in SAP projects can be supported through the use of a roster of consultants, provided by reputable firms, on an on-demand basis, while keeping the overall control of the review within the Secretariat. The capacity of the iTAP, too, has been expanded to deal with the review of SAP proposals on a rolling basis and in a timely manner. In that regard, and consistent with decision B.28/03, that capacity will be reviewed during the next review of the structure and effectiveness of the iTAP.</p> <p>As regards the stated position on raising the limit beyond USD10m, we take note of it, and note that the option of maintaining the current level of the GCF contribution (USD10m) is one of the options included in the proposed decision.</p>
21	Germany	General	Regarding active observer participation: Any comments of active observers to SAP proposals should be circulated within the 21day timeframe to the Board	The Secretariat has added language to clarify that all written comments from BMs and AOs, and any Secretariat/iTAP/AE responses, time permitting, will

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			and be answered by the secretariat. This is crucial to allow functioning civil society participation.	be shared with Board members and Alternate Members within the 21 day review period to inform their view relative to agreeing a no objection approval of the proposal.
22	Germany	General	An Action Plan has been added for the Secretariat to proceed with remaining SAP developments (e.g. develop a capacity building programme, develop simplified documents for the proposal and review stage), which increases transparency for pending steps. We believe it is important that the Secretariat works on these documents, especially the envisaged guidance (e.g. on how to unlock private sector finance through SAP) and simplified templates. However, we would like to emphasize that, as far as possible, double structures should be prevented. For instance, RPSP and PPF should be able to address needs of developing SAP CPs and FPs, but SAP could be better integrated /reflected in existing guidelines /manuals for RPSP and PPF.	Noted. We believe that it will be very advantageous to develop SAP specific guidance and we agree that we should not develop double structures. Accordingly, the Secretariat will take this input into consideration when developing related documents.
23	Germany	General	In comparison to the B.28 document, this document provides updated statistics, for instance regarding the number of approved SAP funding proposals and their share of DAEs. Considering the value of targeting and unlocking the private sector finance (one of the recommendations from the IEU SAP assessment), it would add value to the (future) statistic to also provide for a breakdown by sector - for measuring effectiveness.	The revised version of the paper includes further data and analysis on this issue. Specifically, it reviews the portfolio of projects that were approved by the Board between 2018-2020 - which corresponds to the three full calendar years when both SAP and PAP have been simultaneously implemented. The analysis then assesses the incremental number of those proposals that would have been eligible for SAP treatment under a range of the proposed GCF funding threshold and risk category criteria. It also breaks out the increment of DAE, adaptation and private sector projects that would have become eligible under SAP. It should be stressed that this is a substitution analysis in that it simply determines what projects could have moved

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				from PAP to SAP under the criteria analysed. As such, it does not have strong predictive value relative to the numbers of new projects of different kinds that might be submitted under SAP in the future. While the demand for SAP would be expected to increase if the SAP updates include measures to speed and simplify the process and expand eligibility, the number of any specific type of projects coming forward is a function of many factors beyond this proposal, including country/AE/DAE requests.
24	Germany	General	We understand the Secretariat's position and recommendation as per Paragraph 46-48 is not to increase the risk level and rather remain at the original level of C. We would appreciate if the Secretariat more clearly could delineate what type of an approach may be feasible in the view of the Secretariat to ensure adequate risk appetite without significantly putting the GCF at risk looking at the different options delineated in the document.	In general, the Secretariat believes that it is possible to reduce the information requirements and simplify the review and approval of certain low cost, low risk types of projects, without imposing significant risks on the Fund in terms of project failure and/or reputational risk. In these cases, we believe substantial enhancements to efficiency and effectiveness can be achieved. As the SAP project size increases, the SAP project risk increases – both in terms of the amount of GCF money at stake, and the possibility that the project could involve issues of significant concern over which the GCF as an institution has taken a strong, protective stand – including, for example, those related to indigenous peoples, protected lands, and resettlement. The Secretariat believes that it would not be possible to lower the standard of information and/or review for projects that present these and other critical aspects without assuming a significant addition to the risk profile of the institution. That said, we appreciate that determining the risk appetite of the Fund is a

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				decision and responsibility of the Board. In terms of the options presented in the paper, we believe that in addition to the measures being pursued to enhance the efficiency and effectiveness of the process, including the effort to develop more streamlined concept note requirements, the effort to develop fast track templates, and the effort to work with iTAP to establish clearer review requirements, the proposal for in between meeting review could accelerate the process for SAP review and approval in a meaningful way.
25	Philippines	General	The SAP modality was considered necessary because of the limited access capacities of developing countries which, ironically, is also often the main rationale for the need for external funding, i.e. for capacity building. Therefore, capacities of developing countries should be the primary criterion for the level of funding requested/applied for, in this case, 10M USD. The nature of the documentary requirements and review process should be simplified and streamlined, to match the access capacities of the proponent.	<p>Noted.</p> <p>The SAP funding proposal template has been significantly shortened compared to the regular funding proposal template (PAP) and the overall documentation of the SAP funding proposal package is shorter than the PAP and streamlined by a set of preparation guidance documents specific for the SAP. Moreover, the revised policy paper includes changes into the SAP documentation, making the concept note stage optional for SAP projects, as opposed to mandatory as per the current Pilot Scheme. The Secretariat has also published e-learning and FP guidelines for SAP. In the current document, it is proposed further work to simplify the documentation needed and how to further provide capacity building and trainings on how to develop SAP especially to the DAE.</p>

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26	Philippines	General	The 10M USD ceiling is not even half of the lowest PAP funding of 25M USD and therefore, merits a more lenient review consideration, with minimum requirements like a.) fit between the climate rationale and the proposed climate action; b.) the reasonableness of the proposed costing of activities which could be reviewed vis a standard costing matrix for major activities relative to target outputs and outcomes; and c.) appropriateness of the implementation arrangement, e.g. completeness of manpower complement to deliver the project results. It is understood, of course, that project risk management includes other important considerations like the political situation, among others.	Noted. The Secretariat would like to clarify that there is no minimum amount of PAP funding.
27	Philippines	General	However, these three minimum project access requirements are not only critical elements for any project implementation; they also correspond to manageable risk mitigation elements of the project in the form of: 1. Project implementability because of the nature of the project itself (simple and therefore, easy to execute) and the manageability and monitorability of the level of resources allocated (10M USD); 2.) Simplicity of the logframe, hence, can be easily understood by reviewers, the implementors themselves and the monitoring groups/entities; and 3.) Appropriateness of the delivery mechanism, comprising country implementors and project participants with the requisite knowledge and competencies, which might be minimum by big project standards but enough to enable appropriate execution and in the process, can be enhanced by the project itself.	Noted.
28	Philippines	General	The SAP should also be viewed simplistically as an opportunity for developing countries to increase access competencies to financial resources necessary to develop climate related capacities (e.g. knowledge, competencies, enabling policy environment, etc.) to subsequently execute big projects or simply to fill capacity gaps in order to respond to climate risks and opportunities in a self sustaining way over the long term.	Noted.
29	Philippines	General	On the proposed timing of submissions, rolling review basis and approval by the Board on a no objection basis in between meetings, and even which body	Noted.

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			<p>decides on the granting or rejection of the requested funding, the Philippines additionally offers the following views:</p> <ul style="list-style-type: none"> - Timing as a critical factor for increased probability of access is not really the issue here but the “relativeness” or subjectivity of interpretation of the requirements: compliance of documentation in the form of the proposal, the inordinate focus on a proposal’s risk level but without clear guidance aside from the application of standard ESSs which do not really make a lot of sense in terms ensuring that the proposal is properly executed and the target outcome achieved. Hence, it does not really matter whether the decision-making is done by the Board itself with increased frequency and on a rolling basis or delegated to the Secretariat. What is important is that the proponent itself is able to deliver an intelligible proposal which can merit confidence that it will be executed efficiently and cost effectively. - It is, therefore, recommended that SAP implementation be anchored on the realities and needs of accessing countries with clear access rules and procedures focusing on monitorable items like eligible activities, cost levels and minimum manpower required to execute the SAP project properly. 	
30	Philippines	Background	[refers paragraph 1] Should also include the relevant CoP Guidance on this, as should be the case for all other GCF issuances where the CoP also has specific guidance. The GCF is not a fully independent institution; although operating under its Governing Instrument, it is an Operating Entity of the Financial Mechanism of the UNFCCC and the PA, thus also directly accountable to CoP as the highest decision making body of the Convention and its Protocols.	Noted. We added a reference to the given COP21 guidance.
31	Philippines	Background	[Refers to paragraph 8b] This is not very clear and could introduce further lack of clarity resulting from varying interpretation of policy and its subsequent application in terms of protocols and standards.	Paragraph 8d intended to clarify that the proposed BBM process would enable SAP funding proposals to be more rapidly approved by the Board through a between meeting no objection procedure. If there are any objections, that specific SAP FP will be submitted

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				for discussion to the next meeting of the Board. How the BBM process for SAP FP approval is carried out is further detailed in the paper and in table 1, Annex II.
32	Philippines	Background	[Refers to paragraph 9] What does intermediation mean? Please elaborate.	<p>Intermediation refers to a delivery mechanism where GCF-financed activities involve investments through "Intermediaries" - either subnational, national, regional or international public and private entities (financial or non-financial) with accredited capacities for intermediation that would have capacities for "intermediation" or administration of grants and/or loans, which may include one or more of the following tasks on a programme or project basis:</p> <p>(a) Grant award and/or funding allocation mechanisms;</p> <p>(b) Loans/on-lending and financial blending;</p> <p>(c) Equity and quasi-equity investments;</p> <p>(d) Risk guarantees; and</p> <p>(e) Climate insurance schemes</p>
33	Philippines	Policy Rationale	[Refers to paragraph 19(a)] This is not the main hurdle; it appears to be the pre-Board Meeting due diligence process which lies with the Secretariat and the ITAP. Focus should be on the hows and the whys of this pre-BM assessment.	Paragraph 19 reports the findings of the SAP Assessment. The paper recognizes that there should be actions that further simplify the ITAP and Secretariat review process and their predictability and specific actions in these regards are proposed.
34	Philippines	Policy Rationale	[Refers to paragraph 19(b)] This is obviously contributing to the bottleneck. If the pre Board Meeting due diligence is delayed, then going up to the Board will also be delayed.	Noted.
35	Philippines	Policy Rationale	[Refers to paragraph 19(d)] For a clearer understanding of the SAP proposals and the bottlenecks in their review, case studies should have been done or	Paragraph 19 refers to the findings of the Secretariat sponsored Review of the SAP and the IEU Rapid

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			should be done. A more in depth analysis of non-compliance incidences or points in the proposal where bottlenecks occurred should be identified, the reason for such and what might be practicable solutions to address them.	Assessment of the SAP, where the approved projects at the date of the assessment, where analysed. Your suggestion is noted and case studies will be considered in the context of future SAP reviews.
36	Philippines	Policy Rationale	[Refers to paragraph 20] Or perhaps the consideration and view of the SAP proposal itself should change i.e. the Secretariat, ITAP and Board perspectives. Their expectations should change, i.e. focusing on feasibility of proposal, noting that the overriding consideration here is the timely response of GCF to climate related problems.	Noted. The current policy paper recognized that ITAP and the Secretariat shall consider the goal of the SAP in its review of SAP proposals It also notes, that as a practical action, the Secretariat, in consultation with the ITAP, is working on a transparent appraisal tool that will also give the AEs predictability on the assessment metrics that will be used to assess SAP proposals for the SAP.
37	Philippines	Analysis of the policy changes considered	[Refers to paragraph 26(ii)] This only addresses the issue of additional timing needed till a formal Board Meeting occurs but does not address the hurdles in the due diligence process itself involving the Secretariat and the ITAP.	The Secretariat has further elaborated the actions already described in Annex III to simplify the preparation and review of SAP proposals from the Secretariat and ITAP within the boundaries of the existing policies related to project preparation and appraisal.
38	Philippines	Analysis of the policy changes considered	[Refers to paragraph 32] Should the basis be risk level or nature of the intervention itself? The need for the SAP modality was considered necessary because of the limited capacities of eligible developing countries which is also often the main rationale for the need for all external funding, i.e. for capacity building. Therefore, capacities of eligible countries should be the primary criterion for the level of funding requested/applied for, in this case, 10M USD and the nature, i.e. simplified and streamlined.	Noted. PAP does not have a specified minimum amount of USD 25M.

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			<p>10M USD is not even half of the lowest PAP funding at 25M USD and therefore, merits a more lenient review consideration, with minimum requirements like a.) fit between the climate rationale and the proposed climate action; b.) the reasonableness of the proposed costing of activities. In this context the Secretariat, with the AEs/DAEs, and in consultation with the potential recipient countries, should pursue drawing up a standard costing matrix for major activities relative to target outputs and outcomes; and c.) appropriateness of the implementation arrangement, e.g. completeness of manpower complement to deliver the project results. It is understood, of course that project risk management include other important considerations like the political situation, among others.</p> <p>However, these three minimum project implementation requirements are not only critical elements for any project implementation; they also correspond to manageable risk mitigation elements of the project in the form of: 1. Project implementability because of the nature of the project itself (simple and therefore, easy to execute and the manageability and monitorability of the level of resources allocated (10M USD), 2.) Simplicity of the logframe hence can easily be understood by reviewers, the implementors themselves and monitoring groups/entities; 3.) Appropriateness of the delivery mechanism, especially the capacities of the country implementors and project participants, which might be minimum by big project standards but enough to enable appropriate execution and in the process, can be enhanced by the project itself.</p> <p>The SAP should also be viewed simplistically as an opportunity for eligible countries for increased access to financial resources for building the much needed climate related capacities (e.g. knowledge, competencies, enabling policy environment, etc.) of countries less able to optimally execute big projects or simply needing to fill capacity gaps in order to respond to climate risks and opportunities in a self sustaining way over the long term.</p>	

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39	Philippines	Analysis of the policy changes considered	<p>[Refers to paragraph (iii) BBM procedure] Timing as a critical factor for increased probability of access is not really the issue here but the “relativeness” of interpretation of the requirements : documentation in the form of the proposal, the inordinate focus on a proposal’s risk level but without clear guidance aside from the application of standard ESS which do not really make a lot of sense in terms ensuring that the proposal is properly executed and the target outcome achieved. Hence, it does not really matter whether the decisionmaking is done by the Board itself with increased frequency and on a rolling basis or delegated to the Secretariat. What is important is that the proponent itself is able to deliver an intelligible proposal which can merit confidence that it will be executed efficiently and cost effectively.</p> <p>It is, therefore, recommended that SAP implementation be anchored on the realities and needs of accessing countries with clear access rules and procedures focusing on monitorable items like eligible activities, cost levels and minimum manpower required to execute the SAP project properly.</p>	Noted.
40	Philippines	Analysis of the policy changes considered	[Refers to paragraph (iv) DAE aim] This requires a two pronged approach: a.) simplifying the SAP process itself; and b.) increasing the capacities of DAEs to oversee accessing country execution.	Noted. The proposal and related measures being undertaken by the Secretariat are meant to address both issues.
41	Philippines	Analysis of the policy changes considered	[Refers to paragraph 41] Including due diligence and monitoring requirements, understanding and expectations of which should be levelled off between and among proponents, reviewers (Secretariat/ITAP) and the Board itself.	Noted.
42	Philippines	Analysis of the policy changes considered	[Refers to paragraph 43] This would be helpful and a pragmatic solution.	Noted.
43	Philippines	Annex II:	[Refers to Annex II paragraph 4(a)] If the process itself has not been fully clarified and simplified/corrected, this is like decreasing the due diligence level	The Secretariat notes these views and would welcome a discussion to better understand if further

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		Eligibility criteria	of effort in exchange for expediency in disbursement of GCF funds but not correcting the fundamental problems. It may be putting in good money after bad. It is prudent to address the problems first and keep risks with this modality at manageable levels before increasing amounts.	clarifications on the paragraph commented are needed.
44	Philippines	Annex II: Origination, Preparation and Review	[Refers to Annex II paragraph 6(a)] This should be based on a Capacity Gap Assessment of actual proponents and potential ones.	Noted.
45	US	General	We support the SAP and hope that this update will truly simplify processes for smaller, low risk projects. Toward that goal, we are supportive, in principle, of efforts to further simplify required documentation and review, to differentiate the SAP from the normal process. We welcome further elaboration from the Secretariat on what this simplification would look like. In this context, and most importantly, we would want to ensure that any simplification of documentation does not limit the Board's ability to have adequate information to review funding proposals with regard to safeguards and risk management, especially considering the proposed eligibility expansion to category B/12 projects and programs.	<p>As noted in the July consultation draft, the Secretariat will develop a simplified concept note template for the SAP. While this new concept note template will be less resource consuming for AEs to complete, it will provide the Secretariat and the Board with the information necessary to accurately review SAP project ideas and confirm that they are consistent with both country priorities and USP goals.</p> <p>At the funding proposal stage, the Secretariat will simplify some of the annexes needed for the review of funding proposals. As with the concept note, while the annexes will be simplified, they will still provide significant detail that will be sufficient to allow the Secretariat, the iTAP and the Board to verify that the proposals are consistent with all relevant GCF policies.</p>
46	US	General	We would welcome further analysis from the Secretariat regarding the three options for the threshold of GCF contribution. What size projects could each option entail? For each option, what is the projected split between adaptation vs. mitigation; among DAEs, private sector, and other accredited entities; and between SIDS/LDCs and other recipient countries? The scenario analysis	The scenarios presented for Board consideration in the document submitted to B30 are as follows:

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			<p>shows a much larger number of proposals coming through under USD 50 million compared to USD 25 million or USD 10 million. Does the Secretariat and ITAP have adequate capacity to review the increased number of proposals on a rolling basis? How would an increase in proposals to the SAP influence the volume of proposals moving through the normal project review process?</p>	<ul style="list-style-type: none"> - Maintain the current SAP eligibility criterion which requires that SAP proposals involve a maximum level of GCF funding of USD 10m, and a total project cost of no more than USD50m - Change the SAP eligibility criterion to allow SAP proposals to involve a maximum level of GCF funding of up to USD 20m, and a total project cost of USD 50m - Change the SAP eligibility criterion to allow SAP proposals to involve a maximum level of GCF funding of up to USD 50m, and a total project cost of USD 50m <p>There is also the option to link the expansion of the GCF finance conditional to some requirements requested by some BMs during the consultation such as scale up projects previously proven successful, advance programmatic SAPs, have advanced roles for DAEs and involve risk category C proposals.</p> <p>-As regards the potential projected distribution among the various criteria that you have requested, related analysis has been done and it is presented in annex IV of the B.30 SAP document along with caveats related to its predictive value and the SAP review and support capacity of the Secretariat. As regards the predictive value of the analysis, it is noted that the analysis done assumes increased numbers of PAPs moving to SAP on the basis of more generous eligibility criteria.</p> <p>As regards the capacity of the Secretariat to process more SAP proposals, the document notes that the 2022 Secretariat work programme assumes that the</p>

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				<p>Secretariat would be able to approve 20-25 SAPs per year by the end of GCF 1.</p> <p>Regarding Secretariat and iTAP capacity, the capacity of the Secretariat to deal with the increase in SAP projects will be dealt with by using a roster of consultants, provided by reputable firms, on an on-demand basis, while keeping the overall control of the review within the Secretariat. The capacity of the iTAP to efficiently review simplified approval process proposals on a rolling basis and in a timely manner was considered in the Board's recent iTAP decision (B.28/03) and, consistent with that decision, will be reviewed during the next review of the structure and effectiveness of the iTAP.</p>
47	US	General	<p>We support allowing for Between Board Meeting (BBM) approvals of SAP funding proposals, but it will be important to maintain the same level of transparency that we would have if the funding proposals were approved during a Board meeting. For this reason, we support the longer timeframe for notification and review of Environmental and Social safeguards reports for projects or programs where the environmental and/or social risks and impacts are classified as limited. We also support allowing Active Observers similar opportunity to review and comment on SAP funding proposals, as per the existing process, along with access to the technical questions and responses. Could the Secretariat clarify whether the comments and objections raised by Board members and alternates would be posted publicly, as per the normal process?</p>	<p>Noted.</p> <p>The Secretariat proposal is designed to maintain the same level of engagement and transparency that occurs in the normal funding proposal review process. This includes the opportunity for AOs to provide comments on the funding proposals. The disclosure of project documents for SAP proposals considered without a board meeting, including ESS reports, will be consistent with the project documents and ESS reports that apply to project documents submitted when projects are being considered by the Board. The comments of Board members and AOs on SAP proposals submitted for no objection approval will be made available to Board Members, Board Alternates and AOs. That said, the proposed BBM process is designed to enable board members to take a decision on whether a proposal is</p>

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				ripe for no objection approval – and is not to designed to amass comments or initiate discussions with a view to changing the proposal.
48	US	General	We are supportive of further technical assistance and capacity building for DAEs to access the SAP, but would caution against establishing a percentage target for DAEs in SAP proposals. Establishing percentage targets for types of entities imposes another layer of consideration that could hinder the expediency of the SAP.	Noted. The B. 30 document does not include a target number of DAEs for approval by the Board. That said, in the July consultation document, the Secretariat noted its belief that it would be feasible to meet the 50% DAE goal included in the SAP policy approved by the Board (decision B.18/06) if the actions proposed were agreed.
49	AGN	General	We thank the Secretariat for the Updated SAP document and clarifying the changes made on the previous version.	Noted.
50	AGN		In our view, the revised document does not accurately reflect the views of our constituency, nor does it reflect the proposals we have made. Unfortunately, the paper still presents options as if there is consensus rather than representing views where there is no consensus. In this regard, the document misrepresents the status of agreement on several possibilities and ignores the concerns raised by the African constituency. The procedures for decision-making make it clear that all Board views shall be reflected and that pre-Board consultations processes need to be open, transparent, and inclusive.	Decision 18/6 requested the Secretariat to prepare a paper addressing specific objectives. In preparing that paper, the Secretariat took into account the broad, often conflicting views of all Board members gathered during various consultations over the past two years. It also considered the recommendations from the Secretariat led review of the SAP and the IEUs Rapid Assessment of the SAP. Through the presentation of options in the paper, the Secretariat has purposefully endeavoured to recognize and respond to the fact that there is not consensus; if consensus prevailed, there would be no need for options.- That said, the absence of options did not indicate the presence of consensus. As regards the proposal and the issues of inclusion and transparency, while all Board member and expert proposals could not be included in a coherent proposal, all Board Members were invited to submit

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				comments, and all comments submitted were reflected in the matrix of comments which was shared with all Board members.
51	AGN		We remain concerned that despite the Board requesting the Independent Evaluation Unit (IEU) to undertake an evaluation on the SAP, the Evaluation is not considered part of the Board's review of the Updated SAP.	<p>The IEU evaluation of the SAP and the management response thereto were received by the Board in June 2020 and March 2021 respectively. In 2020, the IEU held a SAP webinar for Board members and advisors on the 27th of May 2020. As per the activities of the IEU report GCF/B.27/Inf.09: "The IEU continued to disseminate findings and recommendations during the reporting period with existing online publications of SAP assessment supplemented by a recorded webinar, summary and promotional videos, and a recorded virtual side event at B.26, disseminated via social media to targeted stakeholders." In 2021, during the <i>Co-Chairs consultations on policies scheduled for consideration at B.28</i> held on March 9th 2021, the IEU findings in the evaluation were presented during the Secretariat overview of the SAP policy, and interested Board members were invited to comment and discuss it. In addition, a <i>Co-Chair's consultation session on evaluations</i> was held on March 1st 2021 with the IEU, during which participants examined the key findings and recommendations of four IEU evaluations, including the evaluation of SAP.</p> <p>The Secretariat has taken the factual findings and recommendations of the evaluation as one of the inputs used in the development of its initial proposal to the Board.</p>

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				The Secretariat notes that many Board members cited the IEU evaluation in their comments on the consultation draft and the Secretariat hopes that Board Members will continue to take into account both the IEU Rapid Assessment of the SAP and the Secretariat's Management response in considering the update to the SAP policy.
52	AGN		In our view, the IEU Evaluation provides very insightful findings and recommendations on the SAP's performance. It also offers several important recommendations to ensure the SAP delivers on the expectation of all developing countries to provide simplified processes. In particular, we urge the Co-Chairs to act in compliance with the Governing Instrument and the Evaluation Policy and allow Board members to submit their views on the IEU's findings and recommendations with a view to a decision being adopted to provide policy and/or operational guidance to the Secretariat, before the Board's consideration of the Updated SAP.	Noted.
53	AGN		In our view, the following IEU conclusions/findings warrant due attention when the Board considers the proposed Updated SAP modality and criteria: <ul style="list-style-type: none"> a. Conclusion 2. The SAP modality, as implemented so far, has not translated into a simplification of requirements and an acceleration of processes. The median time to process a project through the SAP (from CN submission to Board approval) is only 8 percent shorter than for a comparable set of PAP projects, and 13 percent shorter than for higher ESS category projects. b. Finding 2.1. The current SAP process has not succeeded in substantially reducing the burden of project preparation and in improving the efficiency and effectiveness of the GCF project cycle for these "small" GCF operations. Furthermore, the requirement that all proposals attempting to use the SAP process need to have a CN, adds a step compared with regular GCF processing. 	The Secretariat notes the importance of the IEU conclusions/findings and recommendations on the SAP, and agrees with many of them. The Secretariat's management response to the IEU Rapid Assessment of the SAP (GCF/B.28/18/Add.01) provides a detailed response to each recommendation.

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			<p>c. Finding 2.2. The SAP process includes multiple stages, but only two stages have targets on business standards: the turnaround for the GCF Secretariat’s comments on CNs and FPs. The other processes, such as second-level due diligence reviews by the Secretariat and reviews by the iTAP, are neither predictable nor transparent regarding timing. Project proponents do not have any requirements to respond within any particular time period, either. Several proposals in the SAP pipeline are inactive, with no actions in the last six months or more, and it is not clear how long they will stay in a particular stage of the process.</p> <p>d. Conclusion 3. The SAP process is not predictable, transparent nor efficient for the types of proposals processed. This results in high transaction costs for a small GCF contribution, and limits the interest of AEs to use this process. The SAP does not live up to the expectation from AEs that projects would be approved faster and based on simpler information.</p> <p>e. Finding 3.1. The review process has multiple layers and duplications. The project cycle includes reviews by different parts of the Secretariat (SAP team, technical teams, legal and procurement teams, senior management and the investment committee), iTAP and the Board, as well as comments by the CSO and PSO observers to the Board. Comments sent to applicants are not coordinated (proponents receive non-consolidated and often repetitive or contradictory comments from the Secretariat, for example that come at different times of the process, putting an excessive burden on the proponents that need to respond to all of them, even when they are contradictory).</p> <p>f. Finding 3.2. Secretariat and iTAP reviewers have not changed their review practices and have to frequently deal with missing information (the provision of which would be expected for the PAP, but is not expected for the SAP) to conduct the review. Ensuring that SAP proposals comply with all GCF policies and investment criteria is difficult. The shorter and simpler CN and FP could have reduced some of the requirements for the</p>	

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			<p>proponents, but so far have proven counterproductive to the review process.</p> <p>g. Finding 3.3. Most projects processed through the SAP modality were originally PAP projects. The Secretariat asked the proponents to change them to SAP projects, which involved retrofitting the information into the SAP templates and in some cases reducing the scope of the projects to fit the SAP eligibility criteria (particularly the GCF contribution). This has added to the non-transparency of the SAP.</p> <p>h. Conclusion 5. All SAP projects clearly comply with two of the three eligibility criteria: all of them involve GCF contributions of less than USD 10 million and are classified under the ESS C category, which corresponds to “minimal to none” in terms of environmental and social risks. The definition of the third criteria, “ready for scaling up”, is unclear and has not been applied consistently, and therefore many of the projects did not comply with it.</p> <p>i. Conclusion 6. The Secretariat and iTAP generally concur in their assessment of SAP projects, and neither of them specifically discussed the “ready for scaling up” criterion. The ratings – generally “medium” or “high” – are similar to the findings from the FPR. The highest ranked criteria are on “country ownership” and “needs of the recipient.” About half of the projects have a good M&E quality-at-entry classification (low risk). Although not a criterion in the GCF investment criteria, climate rationale is a concept that is still difficult to articulate for many AEs. The iTAP has questioned several projects on this topic, but the GCF review processes do not have a consolidated and coordinated approach on how to measure it, and what type of information to ask for.</p> <p>j. Conclusion 8. The Secretariat’s review focused on the SAP processes and does not examine the value added or strategic fit of the SAP for the GCF, and some of the findings and recommendations were not linked to evidence. The initial assessment by the IEU found that overall, the</p>	

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			<p>Secretariat’s review does not examine the complete value added of the SAP or how it fits into the ToC of the GCF.</p> <p>k. Conclusion 13. There has been no significant increase of new entities coming to the GCF because of the SAP. So far only three entities that did not have previous GCF experience have applied through the SAP. Despite being accredited for more complex and larger GCF projects, these entities decided to use the SAP modality purportedly because the SAP presents an opportunity to initiate partnership and familiarity with the GCF.</p> <p>l. Conclusion 14. The private sector has not seen value added and the benefits of using the SAP process. There are no more private sector AEs in the pipeline than in the regular GCF pipeline. This does not appear to be related to size or to the ESS category. The lack of interest appears to be linked to a lack of information and knowledge about the SAP among private sector actors, and to the slow and unpredictable process.</p> <p>m. Conclusions 15. Simplified Approval Process implementation does not require proposals to present evidence that their approach was fully proven in a specific context. The SAP does not allow for a level of risk favourable to presenting project ideas that test proof of concept. The cap of GCF contribution at USD 10 million has also shaped the type of projects that are submitted, since it limits the extent of the scaling up. Projects in the SAP portfolio are not different from the point of view of innovation/scaling up compared to those in the PAP portfolio. Few projects provided evidence that they will scale up a successful idea or approach from a demonstration area to the overall population. None of them are financing innovations or proof of concept.</p> <p>n. Conclusion 16. There are few intra-Secretariat incentives that encourage task managers to process SAP projects. The Secretariat has developed several indicators that may incentivize the submission and processing of projects, and has set targets and relevant KPIs for the SAP in its work programme. However, there are no SAP-specific KPIs that incentivize task managers to prioritize and advance the processing of proposals and</p>	

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			<p>projects through the SAP modality/modalities. The sizes of SAP projects are small, and if an overall institutional (or even divisional) objective is "resources committed," then processing SAP projects is not an attractive opportunity for task managers.</p>	
54	AGN		<p>On the matter of using the provisions outlined in paragraphs 41-44 of the Rules of Procedure (RoP) for decided on SAP projects without a Board meeting, we maintain our position on this matter. However, it is unfortunate that despite both written and oral explanations of our position, the document suggests no objections to the Secretariat's proposal. Accordingly, we have again reviewed the Secretariat's proposal and object to it on the following grounds:</p> <ol style="list-style-type: none"> a. Irrespective of the mandate from B.17, the RoP is explicit that the provisions may only be applied in an extraordinary circumstance where a decision cannot be delayed to the forthcoming Board meeting. In this regard, the proposal to consider and approve SAP proposals without a Board meeting does not meet the requirements of the RoP; b. The approved project and programme cycle only provides that the Board to (i) approve the FP, (ii) approve with conditions, or (iii) reject the proposal. The Secretariat proposal that under the SAP a Board member/s can request to defer consideration of an FP until a Board meeting would introduce a new option for Board decision making. This, therefore, does not meet the agreed Board approval process. The suggestion to approve an SAP-specific project and programme cycle is not the solution to the board decision-making options for FPs. In our previous comment, we objected to an SAP specific project and programme cycle, and we maintain that position, and we do not support have two project and programme cycles as this only introduces uncertainty and incoherence in GCF procedures; c. The Secretariat proposal for a new decision-making process for SAP projects without a Board meeting likewise introduces a new parallel decision-making process for decisions without a Board meeting is inconsistent with the current practice and past precedence. The present 	<p>As regards point a, Decision 18/6, taken by the consensus of the Board, requested the Secretariat to develop a proposal to advance SAP funding proposals between meetings. We have endeavoured to fulfil that mandate. In that effort, we sought to remain as consistent as possible to both the process outlined in the rules of procedure, and the process that has historically been used to approve projects at meetings of the Board.</p> <p>As regards point b and the disposition of SAP project decisions that are objected to, the proposal in the B.30 document tracks paragraph 43 of the ROP which states: "If the objecting Board member upholds his/her objection following discussion with the Co-Chairs, the proposed decision will be considered by the Board at the following meeting".</p> <p>As regards paragraphs b and c, the Secretariat would note that the paragraph 53 of the Governing instrument called for a streamlined approval process in one sentence, and "a simplified approval process for certain activities, in particular, small scale activities" in a separate sentence, thus differentiating the latter from the standard streamlined approval process. Consistent with that notion, the Board in</p>

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			<p>method has been used for several years, explicitly requires Board members to object to a decision. There is no provision for a Board member to request a deferral of a decision to a physical meeting. Therefore, we do not support having two very different procedures for decisions without a Board meeting; and</p> <p>d. As a matter of principle and governance, seeking the Board's approval of SAP FPs via decisions without a Board meeting will only serve to purposefully remove the role of developing country Board members in the approval process. As such, we cannot support this option as it would actively undermine the equality of Board members enshrined in the Governing Instrument. Furthermore, developing country Board members would be unable to comment or seek clarification on FPs as such a request may delay the decision-making process, leading to concerns with these members' constituencies. Finally, we note that even the PAP has been unequally dominated by developed countries and is generally a highly untransparent and certainly not inclusive process. In most cases, members impose new conditions without full disclosure and or conversation in the Board.</p>	<p>decision 18/6 established a separate Simplified approval process pilot scheme, with separate eligibility requirements, separate simplified templates, and separate project information, screening, review and approval processes. In conformance with the Board decision, the Secretariat established separate guidance documents and separate training programmes. I. These differences form part of a separate parallel SAP process has been operational for approximately three years, and will, if the Board approves, be further differentiated from the PAP. The Secretariat believes it is important to the effective implementation of the SAP to demonstrate for countries and AEs how the SAP is different from the normal project approval process– so that they can decide whether to use it and can navigate it effectively. That is why it has included a Simplified Approval Process project and programme activity cycle (SAP activity cycle). As regards that cycle calling for the deferral of SAP projects, as noted above, the proposal in the B30 document uses the same language contained in the rules of procedure regarding Board action on decisions taken without a Board meeting.</p>
55	AGN		<p>With regards to increasing beyond USD 10 million the level of GCF funding that could be provided for SAP approvals, we are in support of such an increase as this is provided for in the Governing Instrument, paragraph 53, which provides that the "<i>Board will develop simplified processes for the approval of proposals for certain activities, in particular small-scale activities.</i>" However, our proposal to increase the size of individual SAP projects was linked to a suggestion that the SAP is targeted for scaling up projects/programmes that have been successfully completed and require either second phase finance or finance for</p>	<p>The policy has been updated to better explain the analysis of the options for maintaining the status quo at USD 10m, or increasing the level to USD 20M or 50 million. The Secretariat revised the last draft to include the USD 50m threshold on the basis of an AGN proposal which proposed "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</p>

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			<p>replication, particularly for projects finance by the Adaptation Fund, GEF-where applicable, and the LDCF. Thus, the increase in project finance size is linked directly to this option of scaling up, replicating, and enhancing the role of direct access entities. Another proposal to increase the size would be to allow for programmatic SAPs, either in one country or multiple countries.</p>	<p>instrument to address "certain small-scale activities." This would mean a SAP process for an overall maximum contribution of USD50 million." Moreover, in annex IV of the policy, the Secretariat analysed the implications of expanding to USD30M and USD40M. The Secretariat had not understood that AGN language and proposal to expand the GCF financing amount to be linked to scaling up projects from other financial mechanisms, being linked to proposals that have enhanced roles for direct access entities or being linked to programmatic SAPs. In support of transparency, and to enable all Board members to consider these new proposals, the Secretariat has transmitted them to other Board Members through the initial comment matrix and the Secretariat will attempt to include these proposals in the B30 update of the SAP document</p>
56	AGN		<p>Our primary concern with the revised SAP document is that it does not address or propose simplifications concerning a) the Secretariat assessment/review phases (CN and FP) and b) the iTAP review. Instead, the draft decision avoids resolving the core problem with the SAP and merely asks the Secretariat and iTAP "to make SAP simpler by clarifying and reducing the information required for SAP submissions in a manner that takes into account their smaller size and lower risk." Our view is that the updated SAP must also address the disbursement challenge and propose solutions for an expedited process for disbursement for approved projects, and ensuring that the financing reaches the countries. In many cases, projects approved years ago are yet to receive funding. In particular, projects of international accredited entities in Tanzania and Uganda are examples of such challenges.</p>	<p>The simplification of the Secretariat review is discussed in paragraphs [39 – 45] under the sub section "(v) Review of proposals designed to further improve SAP efficiency and effectiveness consistent with B.18/06 and B.28/03." This section summarizes the substantial actions the Secretariat will take pursuant to those decisions and the Board's decisions that govern the reviews of projects/programmes. The Secretariat will continue to work with the iTAP to simplify the reviews while still adhering to the Board policies. " Regarding challenges in the post approval period, the Secretariat will develop specific SAP post approval stage guidance for the AEs (referred in paragraph 9 of Annex II as results-based monitoring</p>

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				<p>and reporting system) to support a simpler reporting system expected to make the reporting on the implementation of the activities on an annual basis to the Secretariat faster with a consequent acceleration of the disbursements following the 1st disbursement.</p> <p>In addition, as discussed in paragraph [45], the Secretariat is working to expedite conditions that might be attached to effectiveness and 1st disbursement so to enter faster into the implementation stage once the project is approved by the Board.</p>
57	AGN		<p>We still maintain some reservations concerning the proposal to expand SAP access to those with potential limited adverse environmental and/or social risks and/or impacts (Category B) and medium level of intermediation (I2) projects and programmes. We are unsure whether this is appropriate given the lack of institutional Ps&Is of the GCF. While some low-level risks could be mitigated, we maintain reservations that this open-ended expansion would still leave the Fund in a tenuous position due to liabilities. In our view, expanding SAP to projects with potential limited adverse environmental and/or social risks and/or impacts (Category B) and medium level of intermediation (I2) projects and programmes will only lead to higher risks and liabilities. In this regard, we seek further clarification from the Secretariat regarding the appropriateness of expanding the Fund's risk and liability profile.</p>	<p>Noted.</p> <p>Regarding the secretariat's views on the appropriateness of expanding the SAP to category B projects and related, please see section III (vii) of the revised policy document.</p>
58	AGN		<p>We also seek clarification from the Secretariat as to their comment (para 30) "While this expansion will lead to increased risk compared to the current SAP and elevate the complexity of the project preparation and implementation for some proposals, it was seen by the Secretariat commissioned review as an action that could further incentivize the use of SAP and facilitate an expansion of access, including an increase in the uptake of the SAP by private sector entities." We disagree with the Secretariat approach that taking on additional</p>	<p>The expansion of SAP to category B projects was proposed to address the Board's request to the Secretariat to prepare recommendations on how to expand access to the SAP. One aspect of the expansion of access that could result from making category B projects eligible related to a finding of the Secretariat commissioned review - which suggested</p>

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			risks to accommodate the private sector is appropriate, and then matter of GCF attractiveness for the private sector are better addressed following the Board's consideration of the forthcoming Evaluation and in the Fund's private sector strategy.	that this change could also help facilitate access of private sector entities. The expansion to category B was not proposed for private sector entities – but it would benefit both public and private sector AEs, and to the extent that it promotes more private sector AEs it advances one of the Board's USP priorities.
59	AGN		While we welcome the proposed capacity-building programme, we are concerned about the current ad hoc approach to supporting the capacity of NDAs and developing country AEs. For example, over the last few meetings, the Board keeps adding new capacity-building activities rather than a) reviewing the performance of the RPSP and b) coherently and consistently revising the RPSP to address capacity constraints.	The Secretariat is proposing a capacity building programme that works within the already established mechanisms, RBSP and PPF. The Secretariat will present a unified proposed work programme for the RPSP during 2022 that will take into account the full range of its activities
60	AGN	General	<p>Finally, we agree with the following recommendations from the IEU that should be included in the Updated SAP:</p> <ol style="list-style-type: none"> a. Recommendation 1 (a) Develop a strategy for the SAP while focusing on processes that accelerate and simplify the project cycle, and so respond (also) to guidelines from the UNFCCC and the Governing Instrument. b. Recommendation 2 (a): Simplify the review criteria for the SAP and develop different and tailored investment criteria c. Recommendation 3 (b): Acceleration – the Secretariat should: <ul style="list-style-type: none"> • Focus on developing processes for the post-approval stages of the SAP project cycle that are SAP-ready rather than imitating the PAP; • Develop and enforce transparent and predictable business standards for every step of the SAP process; and • Provide one set of consolidated comments for each CN and FP, rather than giving proponents multiple rounds of comments. <p>Recommendation 5 (b): Develop KPIs for GCF and Secretariat performance that incentivize the processing of proposals and projects through the SAP modality/modalities (i.e., intra-institutional incentives for task managers).</p>	<p>The Secretariat notes the importance of the IEU recommendations on the SAP and agrees with many of them. The Secretariat's management response to the IEU Rapid Assessment of the SAP (GCF/B.28/18/Add.01) provides a detailed response to each of the recommendations that you have highlighted. It also reviews the actions the Secretariat will take to respond to the recommendations. In summary:</p> <p>Regarding recommendation 1a on developing a SAP Strategy, the Secretariat welcomes this recommendation, and believes that the elements that the IEU suggested for this "strategy" would be more effectively implemented if it was framed as "SAP programming guidance" that would enable AEs, and in particular DAEs, to submit high quality SAP proposals. In the revised version of the update of the</p>

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				<p>SAP policy there will be specific reference that the Secretariat will undertake this action.</p> <p>Regarding recommendation 2a, the Secretariat agrees that the criteria advanced by the IEU (innovation, implementation feasibility, scaling up potential and climate rationale) are important appraisal factors for SAP proposals. In fact, they are already included in the appraisal of SAP proposals as sub-criteria under the impact potential and paradigm shift potential criteria of the GCF investment framework, and their analysis can be further strengthened as recommended by IEU. As regards the development of SAP specific investment criteria, the Secretariat would note that the GCF's investment framework, including its subcriteria and assessment factors, are at the heart of GCF's project approval process and were carefully negotiated to consensus over the board's first nine meetings. The fact that the IEU directed its recommendation on SAP specific investment criteria to the Board reflects an understanding of the fundamental and sensitive nature of crafting and/or changing GCF investment criteria. Indeed, following the approval of the investment framework, related pilot investment criteria indicators were carefully negotiated by the Board over 12 Board meetings. As noted previously in response to Board member comments, the Secretariat's is working on a number of different investment framework papers and in particular, will soon be working on the Decision 22/15 mandate for the Secretariat to review the pilot</p>

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				<p>investment criteria indicators. The secretariat will use these efforts, as relevant, to provide information for the consideration of the board on possible SAP specific investment criteria.</p> <p>Regarding recommendation 3b, and as noted above, the Secretariat will develop specific post approval stage guidance for the AEs. In addition, the Secretariat has already revised its internal SAP standard operating procedures to more clearly define the service time expected for the processing of SAP reviews. This will increase the transparency and business predictability of the SAP for AEs and countries. The standard operating procedures also address the IEU proposed modality to consolidate and share technical feedback with the AEs in “one-go.”</p> <p>Consistent with the AGN request, the Secretariat will include the ongoing and planned actions described above in the document submitted to the Board.</p> <p>Regarding recommendation 5b, the Secretariat has agreed that it will establish SMART performance indicators in the GCF-1 workplan, and that those indicators can be included in the Performance measures of the relevant staff to incentivize the timely and effective processing of SAP proposals.</p>

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61	UK	Decision text	The UK supports the proposed expansion of the risk appetite for SAP projects to include proposals with 'limited environmental and/or social risks', as this will make a broader range of projects eligible at proportionate increase in risk.	Noted.
62	UK	Decision text	We support increasing the funding ceiling for SAP projects by double the current ceiling to \$US20m , as this will make a broader range of projects eligible and increase the utility of the SAP.	Noted.
63	UK	General	We support the proposed simplification of procedures and the increased facilitation of applications by the Secretariat, as this will reduce transaction costs and time for applicants.	Noted.
64	UK	Decision text	We further support the use of decisions between board meetings for approval of SAP projects, as this will speed up approvals.	Noted.
65	UK	Review and evaluation	Noting that the GCF is intended to promote learning and positive change, we would support the inclusion of a mandate for a review of these proposed revisions to determine if further improvements are indicated (if possible in time to inform GCF2).	The Secretariat acknowledges the need to review the proposed revisions, however with an implementation period of 12 months, the Secretariat believes that it is unlikely that there will be sufficient experience with any new SAP mandates to enable a meaningful evaluation. prior to GCF-2 . In the event that is the case, the Secretariat could prepare an early learning report for inclusion in the last Report of the Secretariat for 2022.
66	UK	General	Further, on the paper's presentation, we would prefer to see the proposed changes and the improvements they will affect for applicants in a simple, perhaps tabular, form so that the benefits can be assessed, measure by measure and as a whole, in one easily intelligible summary.	Noted. The version currently in the document (Annex III) was designed to meet a specific request of the UK, in the revised version we added, as requested, a column that elaborates how the proposed measures will benefit the applicant AEs.
67	Japan	Decision Text	Paragraph (b): we should carefully consider to expand eligibility of SAP	Noted.

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			projects/programmes to include category B/ I2since this approval process is “simplified” process under this SAP scheme.	
68	Japan	Decision text	Paragraph (c): we may consider favorably the expansion of GCF financing to SAP projects to USD 50 million as long as we keep the minimum ESS, category C/13. We expect more impact by projects/programmes under such expanded SAP scheme.	We understand this comment to be support for the expansion of GCF funding to USD50m for Category C projects only, and will include this proposal in the SAP document sent to B.30.
69	Japan	Annex II	Paragraph 6 (c) indicates that the Secretariat, in coordination with the iTAP, will develop a review checklist for streamlining the review of the SAP proposals. We would appreciate if the Secretariat would make clear from what point of view it conducts the review of proposals and would share those points with AEs well in advance.	The review of proposals is undertaken with a view to ensuring that they comply with all GCF standards and requirements. The checklist would highlight up front the specific elements and information that the reviewers should consider as essential to ensure compliance and quality at entry, with a view to limiting the stream of back and forth information requests and responses that has often occurred during the project review process.
70	LDC	General	The LDC group thanks the Secretariat for their efforts in preparing a revised version of the document “Update of the Simplified Approval Process (SAP)”.	Noted.
71	LDC	BBM Provision	LDCs appreciate that more clarity has been provided for the Between Board Meeting (BBM) consideration of SAP proposals. This is a change that could significantly increase the number of SAP projects approved per year. Implementation of this provision would require careful and transparent	Noted.

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			management of information, particularly the discussion of any requests for changes and/or conditions.	
72	LDC	GCF Funding threshold	We welcome the inclusion of options to increase the funding project category limit from the current US\$10 million up to US\$50 million. The results of the sensitivity analysis illustrate the potential improvement in accessing climate finance for LDCs/SIDS and other countries.	Noted.
73	LDC	Risk level eligibility	Similarly, the expansion of eligible SAP projects/programmes to those with potential limited environmental and/or social risks and/or impacts (category B) and medium level of intermediation (I2) could facilitate more projects accessing SAP and is a starting point for further expansions.	Noted.
74	LDC	Capacity building and project development support	The proposal for developing an SAP Capacity Building and Project Development Programme could deliver positive impact to AEs and NDAs. The development of these initiatives should consider the views and feedback from these and other relevant stakeholders. To maximise impact, these programmes should be accessible and practical for stakeholders, building on and improving current access processes and requirements.	Noted.
75	LDC	Simplification of templates and process	This latest draft still does not present concrete changes to proposals templates and review processes. We would have liked to see proposals for updated templates, review process and criteria, clarifying how these elements have been or could be further simplified. This inclusion would have allowed the	Noted.

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			Board to understand the complete set of changes to be introduced as an update to SAP, as well as their potential impact. We expect to see this issue addressed in a next iteration of the draft, as the implementation of a true simplified approval process is a priority for LDCs.	
75	LDC	Simplification of templates and process	We recall that the GCF Secretariat has emphasized that due to current GCF operational policies, there are limits for implementing further and more substantial changes to SAP processes. LDCs suggests that as part of the analysis and options to be provided, the Secretariat could identify those cases and explain what type of amendments would be required to further simplify SAP funding proposals' preparation and review processes.	The Secretariat is making several concrete changes to templates and the review process. As regards the templates, the Secretariat intends to prepare a simpler concept note template to ensure that the preparation and review of the concept note is much more focused on ensuring that the concept being proposed is fully consistent with country priorities, GCF impact areas and the SAP eligibility. Moreover, the Secretariat is also proposing to make the submission of SAP concept notes optional, rather than mandatory as per the current pilot scheme. Changes to simplify and accelerate the SAP review and approval process discussed in the document include moving to rolling reviews of SAP proposals and proposing to agree a BBM process that would enable SAP proposals to be considered six times a year rather than three. With regards to, simplification of operational policies that apply to SAP, it is important to stress that in the approval of the SAP, the Board mandated that <i>"Unless specifically modified [...], all other relevant GCF policies apply as usual to the Pilot Scheme. As noted in the B.30 SAP document, "as long as the SAP programme maintains the Board's direction for SAP projects to largely conform with all of the policies that apply to much larger, higher risk</i>

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				<p>PAP projects¹, there are limits to the amount of further simplification that can be accomplished in the preparation and review of SAP proposals vis a vi PAP proposals. As for the possibility of SAP specific investment criteria, the Secretariat's is working on a number of different investment framework papers and in particular, will soon be working on the Decision 22/15 mandate for the Secretariat to review the pilot investment criteria indicators. The secretariat will use these efforts, as relevant, to provide information for the consideration of the board on possible SAP specific investment criteria.</p>