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GCF/B.32/05/Add.01

25 April 2022

Update of the Simplified Approval Process – Addendum I

Comparison table of the Proposal Approval Process, the Simplified Approval Process and the Update of the Simplified Approval Process

Summary

This policy package has been prepared for agenda item 8(a) on policy consultations, in line with the B.31 decision by which the Board agreed and confirmed the dates and venue of B.32, noting that the first two days will be sessions for policy consultations.

This addendum compares the simplified approval process and the proposal approval process, in the form of a table outlining the differences in the review, approval, and post-approval stages.

I. Comparison table among the Proposal Approval Process, the Simplified Approval Process and the Update of the Simplified Approval Process

1. Table 1 below outlines the Secretariat/independent Technical Advisory Panel (TAP) review process, Board approval and disbursement process, by comparing the proposal approval process (PAP) and the simplified approval process (SAP) as approved at the eighteenth meeting of the Board (B.18), and the proposed Update of the SAP. The table estimates the indicative best-case scenarios for each stage of the Secretariat/independent TAP reviews and post-approval stages¹ and does not account for the submissions/turnaround time needed by the accredited entities (AEs). Overall SAP proposals that entail minimal or no environmental/social risks (Category C / I3) and do not exceed 10 million US dollars of GCF funding, could potentially achieve a 30-32 per cent reduction in the appraisal time compared to riskier and complex PAP funding proposals.
2. The table does not include the scenarios where the AEs request to establish longer periods or seek extensions. Some of the indicated timelines are expected to be further revised as part of the review process updates and simplifications outlined in the Secretariat's 2022 Work programme².

¹ The baseline timings indicated for each stage are based on the GCF Programming Manual (for PAP) and on the Standard Operating Procedures defined in the internal Operations Manual (for the SAP Pilot).

² Decision B.30/07



Table 1: Comparison of the project approval process, the B.18 simplified approval process pilot scheme, and the proposed update of the simplified approval process

		Project preparation/ Eligibility requirements	CN submission	FP submission	FP review	Board consideration	Post approval FAA execution and effectiveness	Post approval from first disbursement
Regular proposal approval process (PAP)	Description	All projects in terms of size and environmental and social risks	CN submissions to Secretariat (non-mandatory)	Full FP template package (18 pages, 8 sections, 14 annexes) Full feasibility study and models	Secretariat FP review Secretariat endorsement for TAP assessment Once endorsed by the Secretariat, FP is sent for the TAP assessment	Board decision at BM (3 times per year)	Certificate of AEs' internal approval (if not provided before approval) Fulfilment of execution conditions Supporting letter of co-financing (if needed) FAA signed Fulfilment of effectiveness conditions	Fulfilment of pre-first disbursement conditions Submission of APRs Interim and final evaluations
	Timeline	N/A	Secretariat review (4 weeks) -- Secretariat CIC review and approval (2 weeks)	N/A	Secretariat initial review (5 weeks) Secretariat technical review (8 weeks) -- Secretariat CIC review and approval (3 weeks) -- TAP assessment (6 weeks)	Secretariat publication preparation (3 weeks) -- Time to BM following publication (3 weeks)	Up to 180 days to FAA execution as per the Programming Manual In general, the FAA negotiation and signing takes place after the FP is approved by GCF In some cases, GCF and the AE can engage in the FAA negotiation process before the FP is approved, with a view to signing the FAA upon approval Up to 90 days to FAA effectiveness as per the Programming Manual	Up to 90 days to first disbursement
Indicative timeline from CN submission to Board consideration, discounting the AE turnaround time, for the PAP is 34 weeks.								



		Project preparation/ Eligibility requirements	CN submission	FP submission	FP review	Board consideration	Post approval FAA execution and effectiveness	Post approval from first disbursement
Simplified approval process pilot (SAP B.18/06)	Description	Only E&S category C/13 Only up to \$10M of GCF finance for small-scale activities	CN submission is mandatory Compulsory CN Annex I: ESS screening checklist	Simplified FP template (9 pages, 4 sections, 12 annexes) Pre-feasibility study in lieu of full feasibility	Shortened Secretariat review and endorsement Reduced iTAP review team (decision B.25/03)	No changes from PAP process	No changes from PAP process	No changes from PAP process
	Timeline	N/A	Secretariat review (3 weeks) -- Secretariat CIC review and approval (2 weeks)	N/A	Secretariat initial review (4 weeks) Secretariat technical review (7 weeks) -- Secretariat CIC 3 review and approval (2 weeks) -- TAP assessment (6 weeks)	Secretariat publication preparation (2 weeks) -- Time to BM following publication is (3 weeks)	No changes from PAP process	Up to 90 days to first disbursement
Indicative timeline from CN submission to Board consideration, discounting the AE turnaround time, for the SAP pilot scheme is 29 weeks.								



		Project preparation/ Eligibility requirements	CN submission	FP submission	FP review	Board consideration	Post approval FAA execution and effectiveness	Post approval from first disbursement
Update of the simplified approval process (SAP B.XX)	Description	Proposed option for environmental and social risk category B/12 Proposed options of up to USD 20M, USD 25, or USD 50M of GCF finance for small-scale activities	Proposed option for the CN to become voluntary Further simplified CN template	Simplified/ shorter SAP FP templates still requiring only a pre-feasibility study Submission of economic and financial analysis is not mandatory unless requested by the Secretariat	Further simplification of the SAP review through a checklist-based review tool	Approval via BM and proposed no-objection B.BM approval (6 times a year)	Expedite the clearance of conditions when possible Fit for purpose post-approval templates	Expedite conditions for disbursement when possible Results-based monitoring and reporting system to simplify the APRs
	Timeline	N/A	Secretariat review (3 weeks) -- Secretariat CIC review and approval (1 week)	N/A	Secretariat initial review (4 weeks) Secretariat technical review (4 weeks) -- Secretariat CIC 3 review and approval (1 week) -- TAP assessment (5 weeks)	Secretariat publication preparation (2 weeks) -- Time to BM/[BBM] following publication (3 weeks)	Target for the FAA signature is shortly after approval Estimated potential time to FAA 60 days effectiveness reduced by 30 days. (Timeline will be affected by the conditions attached to the effectiveness)	Estimated time to first disbursement 60 days reduced by 30 days. (Timeline will be affected by the conditions attached to the first disbursement) and all subsequent disbursements shortly after the submission of the APRs/requests for disbursement
Indicative timeline from CN submission to Board consideration, discounting the AE turnaround time, for the Update of the SAP is 23 weeks.								

Abbreviations: AMA = accreditation master agreement, BBM = meeting between Board meetings, BM = Board meeting, CIC = Climate Investment Committee, CN = concept note, FAA = funded activity agreement, FP = funding proposal, N/A = not applicable, TAP = independent Technical Advisory Panel.