



**GREEN
CLIMATE
FUND**

Meeting of the Board
16 – 19 May 2022
Antigua and Barbuda
Provisional agenda item 8(a)

GCF/B.32/05/Add.03

25 April 2022

Update of the Simplified Approval Process – Addendum III

**Response matrix for Board comments received
on the draft document “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 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 from the 5th to 12th April 2022.

This document also contains the response matrix for the comments received following the B.30 publication deadline and shared with the Board on 23rd September 2021.

Response matrix for Board comments received on the draft document "Update of the SAP" – Board consultations April 2022

Country	Section	Board comment	Secretariat Response
Spain/New Zealand/Ireland	General	Many thanks to the Secretariat for consulting on this latest draft. We consider that the draft includes the key features that the Board needs to take a decision on for the updated SAP and takes into account feedback on previous versions.	Noted.
Spain/New Zealand/Ireland	General	It is essential that the updated SAP involves true simplification and streamlining compared to the PAP, such as faster approvals, reduced documentation, and simplified review and post-approval processes. We think the revised proposal takes us further in this regard.	Noted.
Spain/New Zealand/Ireland	Analysis of the policy changes considered	We are open to considering expansion of SAP eligibility beyond US\$10m and also understanding whether expansion to a higher risk level can be achieved without defeating the purpose of the SAP but maintaining appropriate safeguards.	Noted.
Spain/New Zealand/Ireland	General	We see the SAP as an important tool in what the GCF offers and; as such we would like to see it prioritised for discussion and agreement at the next Board meeting.	Noted.
US	Analysis of the policy changes considered	Regarding increasing the level of projects/programs to \$25 million: We are open to the idea of increasing the level of GCF funding that can be provided for SAP projects/programs to USD 25 million, but no more than that at this stage and pending further information from the Secretariat on any potential negative implications on the simplicity of the process and the time	Noted. Thanks for your comments. First, it is important to note that in paragraph 21, it is mentioned that as long as the SAP maintains the Board's direction for SAP projects to largely conform with all of the policies that apply to much larger, higher risk PAP projects, there are limits to

	<p>required to go through the SAP. In our view, the SAP by definition should be more simplified than the PAP. We expect that larger projects/programs might entail longer and more complex scrutiny and review, so we imagine that broadening the focus of the SAP to larger projects/programs might end up undermining the efficiency of the SAP. It would be helpful to hear from the Secretariat and perhaps from ITAP as well whether projects/programs at the higher thresholds would complicate review and approval processes for the SAP, so that we can weigh the pros and cons of the range of options. Paragraph 54 begins to make this point, but the analysis in Annex III simply presents the number of projects that would have qualified for the SAP under various thresholds, without detailing implications for the process itself, which, in our view, should be the primary focus. This includes implications on the amount of time required for review, the number of reviewers and stages of review, and whether any other additional steps are needed for larger projects/programs.</p> <p>This same logic applies to any consideration of allowing projects at a higher risk category to be eligible for the SAP, which we are not in favor of at this time since we fully expect that higher risk projects/programs would require more time and stages of review.</p> <p>In sum, we see value in focusing on improving the SAP itself, to increase its efficiencies so that it is truly a simplified approach and distinguishable it from the PAP. Focusing too much on broadening</p>	<p>the amount of further simplification that can be accomplished in the preparation and review of SAP proposals compared with PAP proposals.</p> <p>Given the mandate noted above, in its review of SAP projects and programmes, the Secretariat is applying the same standards as the PAP. In this context, the reduction in review time relative to PAP relates to the reduced complexity of preparing and appraising SAP projects which entail no or minimal level of E&S risks and have a relatively lower risk exposure of GCF finance compared to the average regular PAP. Addendum 1 gives an indicative estimation of 30% reduction of the appraisal time of SAP compared to PAP if the new simplification measures are adopted and (at net of the time that the AEs would take to respond to the review feedback).</p>
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		eligibility at this stage is premature and can take focus away from that goal.	
US	Analysis of the policy changes considered	<p>Regarding incorporating KPIs for SAP-related actions: We concur with the incorporation of KPIs in the SAP, so that AEs that are particularly interested in the SAP could easily follow what the GCF prioritizes as barometers for operationalizing this process. But we would like to highlight that these KPIs should not be regarded only as an incentive mechanism on the Secretariat staff's performance; they should be used to highlight to the Board what gaps we need to focus on to further improve the process in the future, and often, these gaps are not within the control of the Secretariat. So, we ask the Secretariat to not just focus on existing KPIs for this exercise; rather, we would welcome some more consideration of what indicators would be helpful to track regarding implementation of the SAP in the coming years. This would provide the Board insightful information in case there is need for a future update of the SAP.</p>	<p>Noted.</p> <p>Paragraph 49 highlights that the existing KPIs serve to incentivize the Secretariat's staff to efficiently process SAP proposals as once agreed in the annual Secretariat work programme, these KPIs get reflected in the relevant Secretariat's staff annual delivery plans and by default, get considered in individual and divisional annual performance evaluations.</p> <p>Furthermore, Annex I (d) proposes to request the Secretariat to consider developing of new and progressively ambitious KPIs (including for the post-approval stage) in addition to the ones already approved in B.30/07.</p> <p>Paragraph 49 and Annex II (paragraph 12) have been updated to reflect the intent to have new KPIs for SAP take into account lessons learned with a view to improving the SAP overtime and further incentivize the Secretariat's staff. Finally, the Secretariat notes the importance of reviewing and where agreed, enhancing KPIs annually in the context of the Secretariat's annual work programme, where it is possible to look holistically at the Secretariat's work, and more clearly understand the tradeoffs that are inherent in establishing more robust goals for any one area given a resource base that will always be limited.</p>

US	Analysis of the policy changes considered	<p>Regarding establishing a principle for the presumptive existence of climate rationale for SAP adaptation proposals: Climate rationale is an important topic that is being discussed within the context of the climate rationale paper, and the Board should have the opportunity to address this topic there before extending aspects of a paper still in negotiation to other GCF policies. The Board should approve a climate rationale policy before this option is introduced in the SAP; otherwise, there is a risk of mixed messaging to AEs. This is already evidenced by Paragraph 39, as it is unclear what constitutes “unnecessary additional analysis”. We have other questions about this carve-out proposal before we can fully consider it. If there is no stage to review climate rationale, what other assurance can we have that the proposal is actually a climate adaptation proposal that promotes a paradigm shift to low-emission and climate-resilient development, per the Governing Instrument? Does this mean that the AE, by simply calling their project an adaptation project, would not have to provide any other climate-related information?</p>	<p>Noted. And to be clear, the intent of the paper “Steps to enhance the climate rationale of GCF-supported activities”, is to establish the principle that different proposals in different contexts will always have different levels of access to climate data and information and capacity in its use. That paper invites the Board to agree that we might adopt differentiated expectations for data and information depending on the project/programme size, geography and modality but deliberately makes no prescription for any one case. In the context of SAP adaptation, the suggestion of a presumptive climate rationale for SAP adaptation projects goes further and does invite the Board to agree to prescribe specific types of data and information as being sufficient. This remains a decision for the Board.</p>
US	Addendum I	<p>Regarding table comparing SAP vs. PAP: This is a helpful reference to have. If possible, please insert ballpark timelines and under each stage as well, as this would be helpful for AEs who are seeking to navigate the SAP.</p>	<p>Thanks for the comment will be taken into consideration in the review of the addendum.</p>
US	Analysis of the policy changes considered	<p>Regarding removing the reference to a SAP-specific capacity building program with the understanding that capacity-building for SAP, PAP and other issues would be dealt within the</p>	<p>The tailoring of a capacity building programme for SAP is a specific recommendation (4b) from the IEU independent assessment of the SAP, especially in relation to building the capacity of DAEs. As reported in the Secretariat management response</p>

		<p>context of the Readiness and Preparatory Support Program (Readiness Program): We are open to this suggestion but would welcome more information on whether there are advantages or disadvantages to integrating SAP capacity-building within the Readiness Program versus developing a separate capacity building program. If capacity building for SAP and PAP is to be dealt with in the context of the Readiness Program, then the Board will need to take a look at the Readiness Program more broadly, to make sure that it is adequately staffed and resourced to deal with new requests.</p>	<p>to the IEU evaluation, the Secretariat agrees with this recommendation. As this is mainly tailored to the origination of SAP projects and programmes, the Secretariat also agrees with the IEU on the need that for such a capacity building programme to be coordinated with RPSP. The Secretariat has also stressed that, as requested by a Board member, such a capacity building programme should not constitute a pre-requisite for submitting SAP proposals.</p> <p>During the previous consultations we recorded different opinions on whether this activity should be included within the scope of this policy or within a future paper related to the RPSP, and whether this activity should have dedicated funding. That being said, t we noted that there is no disagreement on the usefulness to implement this activity as recommended by the IEU.</p>
<p>US</p>	<p>Analysis of the policy changes considered</p>	<p>Additionally, please see below our responses to two of the questions posed on page 3:</p> <p>Should the Board adopt the proposed process for the no-objection approval of SAP proposals between meetings? We continue to strongly support this option. We would like to better understand the concerns of Board members who are opposed to this, to see if there might be other ways to remedy those concerns.</p> <p>Should SAP concept notes be made voluntary? We welcome the Secretariat’s proposal to significantly simplify the SAP concept note template and information requirements, but we are</p>	<p>Noted.</p> <p>In relation to the possibility of further simplifying the SAP by making the SAP concept note voluntary, the Secretariat notes that for the much more riskier and complex PAP proposals, the concept note stage is not mandatory, and that the requirement of a concept note for SAP is seen by some as adding a requirement to a process that is supposed to be simplified. That being said, despite the absence of a related PAP requirement, almost all accredited entities submit concept notes for PAP proposals. Accordingly, we expect that even more for SAP, where virtually all the AEs fully understand the advantage of receiving early feedback on the “SAP-ability” of their concept before investing time and</p>

		<p>a bit wary about making concept notes optional without fully understanding the consequences of doing so. We see value in the concept note stage if it is a truncated step that would allow for useful exchanges with the Secretariat staff to help the AE shape up a successful project proposal, as highlighted in Paragraph 36. We imagine it could take much more time and cost on the part of the AE to come up with a full-fledged proposal than a concept note, so making this stage optional should not be considered lightly. The largest concern would be for first-time AEs who haven't yet done a project with the GCF and have not had a chance to interact with the Secretariat staff to understand what is needed to fit with GCF priorities. Perhaps this could be considered for AEs which are more experienced and have already completed some successful project proposals, but we would still like to seek the Secretariat's assurance that taking away the concept note phase would not result in lengthier processes down the road for these AEs as well.</p>	<p>resources in the full development of the funding proposals, the majority of submissions will start from the CN stage. Given that, the simplification of the concept note template should make this process easier and even more advantageous for submitters. In all, we do not believe that making the concept note voluntary will result in lengthier processes.</p> <p>In relation to the concerns of Board members who are no in favor of the no-objection approval of SAP funding proposals between meetings, we would refer to the comments received from Pakistan and the AGN Board members reported and replied in this document.</p>
US	General	<p>Thank you again for the efforts made since the last iteration of this document and the opportunity to exchange views. We look forward to working with the Board and Secretariat on a much improved SAP.</p>	Noted.
Sweden	Analysis of the policy changes considered	<p>The focus should be on simplifying access to funding.</p> <p>In that regard the proposed option to approve SAP-projects in between meetings seems critical and has our strong support. It is also a natural step to take as the fund has matured and is celebrating its</p>	Noted.

		10-year anniversary. With Board members being able to object to SAP-proposals circulated through BBM the decision-making power solemnly remains with the Board.	
Sweden	Analysis of the policy changes considered	We also welcome the proposal to make concept notes voluntary, although the SEC should – in dialogue with AEs - continue to encourage the submission of concept notes as these may shorten approval processes.	Noted.
Sweden	Analysis of the policy changes considered	We prefer sticking to the current ceiling of 10 m USD but would be willing to consider a higher ceiling, e.g. for scale-up of successful projects.	Noted.
Sweden	Analysis of the policy changes considered	We would be in favour of limiting the SAP to direct access entities only in order to increase the amount of funding channelled through DAEs.	Noted. Thank you for this suggestion which was not mentioned in the previous consultations or suggested by the IEU independent assessment of the SAP and the B.25 SAP review. The Secretariat would note that the majority of developing countries do not have a DAE, and thus might find suboptimal to restrict SAP access only to DAEs. In addition, countries that have accredited DAEs might wish to have the possibility to use SAP for activities where they would favor the expertise and sector track record of an international AE as intermediary or implementer.
Sweden	Analysis of the policy changes considered	At this stage we remain opposed to increasing risk categories eligible for SAP-funding.	Noted.
Denmark/ Netherlands/ Luxembourg	General	Thank you for a very comprehensive analysis and proposed decision, which we are overall in favor of.	Noted.

Denmark/ Netherlands/ Luxembourg	Analysis of the policy changes considered	Specifically in full support of reducing information requirements for SAP: <ul style="list-style-type: none"> • Making concept notes optional for SAP • Asking only for limited instead of full feasibility study • Developing guided SAP templates 	Noted.
Denmark/ Netherlands/ Luxembourg	Analysis of the policy changes considered	We favor sticking to Category C and are flexible on the scale of GCF support requested.	Noted.
Denmark/ Netherlands/ Luxembourg	Analysis of the policy changes considered	Supportive of the proposed use of BBMs.	Noted.
Denmark/ Netherlands/ Luxembourg	Analysis of the policy changes considered	The suggestion in the decision text para (e) to “establish a principle for the presumptive existence of climate rationale for adaptation projects under the SAP” seems constructive and would feed into ongoing work on the “steps to enhance climate rationale” paper.	Noted.
Denmark/ Netherlands/ Luxembourg	Analysis of the policy changes considered	Could you please help clarify if the suggested “SAP Capacity Building and Project Development Programme” is embedded into the Readiness Programme?	The proposed option for the SAP capacity building programme included in Annex II would be deployed through Readiness.
Germany	Background	<p>(a) “Should SAP eligibility continue to be limited to risk category C proposals, or should it be expanded to include those with potential limited environmental and/or social risks and/or impacts (category B) and medium level of intermediation (I-2)?”</p> <p>At the moment, the SAP is not functioning well for its objective of speeding up the time of approval. It’s important to first get the basics right. We suggest a phased approach: firstly, succeeding to</p>	<p>Noted. Thanks for your comments.</p> <p>We confirm that if the Board agrees to expand the eligibility of SAP to activities that can entail limited E&S risks/impacts, the same set of standard GCF E&S framework requirements would continue to apply to both PAP and SAP.</p> <p>We reflected the consideration of a phased approach in the paper in paragraph 30 and as part of the review of the Update of the SAP.</p>

		<p>create a streamlined and smooth process for category C projects. Secondly, when SAP projects (cat C) reach a certain threshold in terms of reduced time for approval in relation to normal FPs, then the Secretariat should consider expanding to category B projects. However, including cat-B projects should not mean equating the risk requirements from cat-B projects to cat-C ones, which would weaken GCF standards and safeguards. So cat-B projects, even as part of SAP, should expect a longer time for approval than cat-c projects. It's also important that the rollout of cat-B is monitored, for instance, on its impact to overall SAP efficiency.</p>	
Germany	Background	<p>(b) Should the GCF contribution to SAP proposals be maintained at USD 10 million or be increased to USD [20][25][50] million, and if raising the limit is agreed, should the USD 50 million allowance be limited to specific circumstances?</p> <p>While this document reiterates the number of approved projects that could have been approved faster, if the contribution limit had been set to USD 50 million from the beginning, it makes little reference to the operational feasibility. While we do not oppose the idea to increase the funding envelop for SAP projects, we suggest that the feasibility and/or impact of setting the USD 20, USD 25 or USD 50 million funding envelope are further reviewed and are considered in terms of preparation needs for SAP funding proposals and the review process (incl. templates). If GCF contribution to SAP proposals is increased to USD 25 Mio. or more, transparency and accountability</p>	<p>Noted.</p> <p>Paragraph 21 further clarifies that from an operational point of view, SAP will apply to the preparation and appraisal the standards of the approved policy, therefore increasing the E&S risks of the activities eligible for SAP and the financial exposure of the GCF funding will reduce the latitude for simplification in the preparation and appraisal stage. Some of the specific proposed measures, such as the tailored technical assistance for the preparation of SAP proposal and the on-demand expansion of the SAP review capacity through technical experts from qualified firms, will still support a reduction of the time needed for preparing and reviewing SAP proposals compared to the regular PAP, however, as noted in paragraph 26, a noticeable reduction of the processing time of SAP compared to PAP, can be achieved with policy proposed simplification measures and if the E&S risks and GCF financial exposure are kept at the</p>

		of the process should be ensured amongst others by sticking to approval at board meetings only (instead of BBMs)	current levels (E&S Cat C and GCF funding contribution to maximum \$10 million).
Germany	Background	<p>(c) Should the Board adopt the proposed process for the no-objection approval of SAP proposals between meetings? Introducing the proposed process for the non-objection approval of SAP proposals might serve the objective of speed up and simplify the process. However, if GCF contributions to SAP proposals are simultaneously increased and risk level is also expanded, SAP proposals should not be approved via BMM, but only at board meetings. Lower GCF funding and risk level is ok with BBM. The higher GCF funding and risk level the more oversight is needed.</p>	Noted.
Germany	Background	<p>(d) Should SAP concept notes be made voluntary? We believe that concept notes should be kept, to ensure AEs are given proper feedback by the Secretariat and iTAP. However, it would be important that these templates are further simplified by the Secretariat, as mentioned in the document.</p>	Noted.
Germany	Background	<p>(e) Should the Board agree that the Secretariat should develop a principle for the presumptive existence of climate rationale for the review of SAP adaptation proposals? If presumptive climate rationale is only supposed to be used in exceptions then this is already provided for in the 'Steps to enhance the climate rationale of GCF-supported activities' (GCF.B20.inf)</p>	Noted. And to be clear, the intent of the paper "Steps to enhance the climate rationale of GCF-supported activities", is to establish the principle that different proposals in different contexts will always have different levels of access to climate data and information and capacity in its use. That paper invites the Board to agree that we might adopt differentiated expectations for data and

		<p>document. If it should be applied to all cases, this could allow for maladaptation and reduction GCF standards. If the aim is to apply it only in some cases, then there is no need to adopt it here, as it is already provided by the document ‘Steps to enhance the climate rationale of GCF-supported activities’ (GCF.B20.inf). The document is clear as it stands to allow for exceptions in case of lack of data, for instance, developing country profiles of climate hazards, which will in some cases obviate the need for additional analysis or modelling in developing adaptation proposals. If these were to be further developed, the possibility to override the climate rationale would be possible in the SAP, as suggested by the Secretariat. However, we would be grateful for further clarification by the Secretariat as how this will be further developed, especially in a SAP context.</p>	<p>information depending on the size, geography and modality but deliberately makes no prescription. In the context of SAP adaptation, the suggestion of a presumptive climate rationale for SAP adaptation projects goes further and does invite the Board to agree to prescribe specific types of data and information as being sufficient. This remains a decision for the Board.</p>
Finland/ Switzerland/ Hungary/ Monaco/ Liechtenstein	Analysis of the policy changes considered	We can accept raising the ceiling of SAP projects to USD 20 or 25 million as part of the updated SAP, preferably as a second stage after the other changes and simplifications have proven successful.	Noted.
Finland/ Switzerland/ Hungary/ Monaco/ Liechtenstein	Analysis of the policy changes considered	We prefer keeping the current risk category (Category C), as an extension to higher risk projects could limit the potential for simplification of the SAP process. We generally prefer to have a truly simplified SAP process for low-risk and small-scale projects.	Noted.
Finland/ Switzerland/ Hungary/ Monaco/ Liechtenstein	Analysis of the policy changes considered	We very much support the approval of SAP proposals between Board meetings. This would speed up the process for smaller low-risk projects and reduce uncertainties with meeting dates. It would also save Board meeting time and allow to	Noted.

		better distribute the workload during the year, while still leaving the possibility to the Board to submit comments, questions, and objections during the BBM consultation.	
Finland/ Switzerland/ Hungary/ Monaco/ Liechtenstein	Analysis of the policy changes considered	We would also have welcomed a delegation of authority to the ED, but understand that such an approach would not garner consensus at this stage.	Noted.
Finland/ Switzerland/ Hungary/ Monaco/ Liechtenstein	Analysis of the policy changes considered	We do not support a principle of presumptive existence of climate rationale for SAP proposals. There is an ongoing and very much needed policy process to discuss climate rationale, including ways to establish climate rationale when solid/long-term climate data is not available, and this issue is better addressed in this context. It is important to ensure that there is climate rationale behind all GCF projects, including small-scale ones. At the same time, the risk appetite of the GCF should stay ambitious to support innovation as stated in the USP, which is why climate rationale must be pragmatically defined and provide room for innovative approaches, including through the SAP.	Noted. And to be clear, the intent of the paper “Steps to enhance the climate rationale of GCF-supported activities”, is to establish the principle that different proposals in different contexts will always have different levels of access to climate data and information and capacity in its use. That paper invites the Board to agree that we might adopt differentiated expectations for data and information depending on the size, geography and modality but deliberately makes no prescription. In the context of SAP adaptation, the suggestion of a presumptive climate rationale for SAP adaptation projects goes further and does invite the Board to agree to prescribe specific types of data and information as being sufficient. This remains a decision for the Board.
Finland/ Switzerland/ Hungary/ Monaco/ Liechtenstein	Analysis of the policy changes considered	Finally, we support the idea of making SAP concept notes voluntary. We ask the Secretariat to assess whether document requirements related to certain policies could also be simplified for SAP projects.	Noted. As indicated in the policy, among the simplification actions proposed there is the simplification of certain documents related to the concept notes and funding proposal package. These further simplifications will be within the limits of the requirements set by the current policies related to project preparation and appraisal.

France	General	<p>France considers the SAP to be a valuable tool to enhance the accessibility of the fund and improve its efficiency and effectiveness by simplifying cumbersome procedures. So far, this tool has not fulfilled its mandate and it is crucial to make changes before the end of GCF-1. Therefore, all measures to simplify the process, without opening the criteria (level of risks, ceiling amount), should be promoted : streamlining the documents requested, engaging more with DAEs, increasing transparency and reducing the assessment delay, allowing no-objection approval between board meeting. That being said, France favors the low-risk approach as we do not believe in expanding the SAP eligibility above its current level nor in establishing a principle for the presumptive existence of climate rationale.</p>	Noted.
France	Annex III	<p>Could the Secretariat develop a third scenario (annexe III) in expanding the risk levels of SAP without modifying the level of GCF funding?</p>	<p>The analysis related to expanding the level of E&S risks without modifying the amount of GCF funding is included in the “Scenario 2” section of Annex III (e.g. figure 32 page 43 and following cases).</p>
France	Analysis of the policy changes considered	<p>The document presents a reduction to 59-days delay if the no-objection approval BBM is adopted. However, could the Secretariat elaborate on the reduced delay resulting from the low-risk approach (i.e all the measures presented in para 55 and 56)?</p>	<p>GCF/B.32/05/Add 01 (draft version circulated in the Board portal) elaborates on the estimated potential reduction in the appraisal time of the proposed Update of the SAP policy versus the PAP (see also paragraph 26). Considering the impact of the simplification measures proposed, coupled with maintaining the current low-risk eligibility criteria for SAP, at the net of the time that the AEs will take to address the feedback from the review, the overall appraisal time from concept note submission to Board consideration could be</p>

			potentially reduced 30% compared to a regular PAP proposal.
France	Analysis of the policy changes considered	Concerning the tailored investment criteria for the SAP the Sec is currently working on : when such a paper will be ready to be circulated to the board (next board ?, end of the year ?)?	Thanks for your question. In this version of the policy (paragraph 22) it is clarified that indeed the Secretariat had considered trying to evaluate the potential for SAP specific investment criteria in the papers it was preparing on investment criteria issues. However, given the fundamental nature of this issue, and the fact that developing tailored investment criteria for SAP was a IEU recommendation directed to the Board rather than to the Secretariat, the Secretariat has not included any specific provision on this issue in this paper and defers to the Board.
France	Analysis of the policy changes considered	Concerning the simplification of the concept notes, it would be useful to consult with DAEs and AEs which are directly concerned.	Noted
France	Analysis of the policy changes considered	As the document mentions the DAE action plan, could you elaborate on the progress made to support DAEs to apply the SAP (deployment of PPF technical assistance, inclusion of a capacity development program within the Readiness Program for DAEs applying to SAP, how to develop SAP concept notes, etc.) since B.29 (when the action plan was presented to the Board) ?	<p>Since B.29, the PPF approved two technical assistance services and three PPF applications to develop SAP proposals from DAEs. In addition, there are currently four PPF proposals in the pipeline from DAEs for SAP projects under consideration for approval.</p> <p>Regarding Readiness, since B.29, 12 Readiness grants have supported capacity building for DAE policies in Africa, Latin America and the Caribbean, and Asia-Pacific regions for PAP and SAP. Of the 12 grants, 8 also support the development of concept</p>

			notes, totaling 27 concept notes to be delivered that target the financing windows of the GCF.
Canada	General	<p>Thank you for the opportunity to provide further input on the Simplified Approval Process (SAP) and for the Secretariat's dedicated efforts to combine comments accordingly, including by acknowledging many of the recommendations from the IEU's assessment of the SAP.</p> <p>Canada welcomes the efforts to enhance and streamline access to funding, in particular for Least Developed Countries and Small-Island Developing States, and to deploy Secretariat support to help build the capacity of Direct Access Entities. We are also pleased with the analysis undertaken with regards to the increase in funding and risk appetite, and the potential of various scenarios to strengthen private sector engagement within the SAP, as this is a key priority for Canada. We take note of the Secretariat's advice on page 18 para 56 and would encourage an approach that enables the GCF to further strengthen its ambition while maintaining the necessary due diligence.</p> <p>We look forward to reviewing the document for decision at B.32 if possible.</p>	Noted
Pakistan		The current model of SAP is not working for a number of reasons that the Updated SAP is trying to address. However, in order to make it attractive to the DAEs and other entities of developing countries where access to finance is limited for	Noted.

		climate action, Updated SAP must also address the issue of increasing GCF financial risk appetite for projects under SAP framework. We look forward to the Secretariat presenting options.	
Pakistan		Para (b) Decision Text: We have raised the issue of the effectiveness of a decision without a Board meeting for SAP a number of times. The challenge of SAP does not lie at the approval stage. It is the cumbersome process at the Secretariat level which is as complex as a full project submission process. The Board meets 3 times a year and there is no cap on the number of funding projects it can approve during a Board Meeting. The Secretariat should focus on bringing more SAPs to the Board rather than modifying the approval process. This para needs to be deleted.	Noted. The Secretariat has received inputs from Board members that both support and do not support the mechanism for no-objection between board meeting approvals. As there are divided opinions, the Secretariat is leaving the option in the latest policy version for continued Board discussion and decision on this matter, while at the same time, noting that it is an issue on which there currently no consensus.
Pakistan		Para (e) Decision text: We are also concerned about reference to the development of a principle for the presumption existence of climate rationale. It is speculative and prejudices the ongoing discussion and their outcomes on climate rationale in the overall context of the Fund. This para needs to be deleted.	Noted. This reference in the paper was specifically requested by a Board member representing a constituency.
AGN Board members		We thank the Secretariat for the Updated SAP document and for the clarification on the changes made since the last version was published for comment.	Noted.
AGN Board members		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 document presents options as if there is consensus, rather than representing views	Paragraph 12 of the document includes a list of questions covering the key outstanding issues for which the Secretariat understands there is no full consensus.

		that there is no consensus. In this regard, the document misrepresents the status of consensus on a number of options and ignores the concerns raised by the African and Asia-Pacific members.	The document signals through the use of parenthesis, the relevant elements, that while being either mandated by decision B.18/06 or proposed by some Board members during the consultations and the B.28 and B.30 Board discussions, do not have yet have full consensus by the Board. In addition, the document states in paragraph 27 that “the presence or absence of sub-options in the document is not meant to imply that consensus has been reached on any of the changes put forward in this document.” The Secretariat stands ready to provide clarifications on specific issues or any concern.
AGN Board members	Analysis of the policy changes considered	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. It is unfortunate that despite both written and oral explanations of our position, that the document continues to suggest that there are no objections to the Secretariat’s proposal.	Paragraph 12 of the information document highlights the list of the most significant questions still under consideration, where it indicates that the proposal to approve SAP proposal without a Board meeting is still under consideration. This is further reiterated and elaborated in paragraph 34 and 35. In addition, all references to the BBM procedures in Annex I and Annex II are in parenthesis to signal to the Board that this is an option where there is no consensus.
AGN Board members		We have again reviewed the Secretariat’s proposal and object to it on the following grounds: a. B.18 only requests a proposal to consider it does not imply upfront agreement to institute such proceedings. As we have made clear, the decision-making options are not something we can support.	Noted Paragraph 34 and 35 of the document addresses issues related to the Rules of Procedure. That being said, the final decision on the application of the Rules of Procedure rests with the Board. As noted, consistent with the mandate given to the Secretariat in decision B.18/06, this paper includes a proposal for between meeting approval of SAP proposals for Board consideration. It is included,



		<p>b. Irrespective of the mandate from B.18, 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 and is therefore inconsistent with the RoP.</p> <p>c. 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. The current practice as has been used for several years, explicitly requires Board members to lodge an objection to a decision. As the approval of funding proposals is a core business function of the Board, and given our strong stated views on limiting conditions on FPs, limiting the role of developing countries in the decision-making process is unconstitutional.</p> <p>d. As such we are unable to support this option as it would actively undermine the equality of Board members enshrined in the Governing Instrument. Developing country Board members would be unable to comment or seek clarification on FPs as such a request may lead to a delay in the decision-making process, that may lead to concerns with these members constituencies.</p>	<p>however, with a clear indication that it is an issue on which there is no Board consensus, with some Board members favoring it and some opposing it.</p>
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		In order to proceed for an outcome at B.32, the Board must remove this option from the Updated SAP.	
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Response matrix for Board comments received on the B.30 draft document "Update of the SAP" following its publication– SIDS comments from September 23rd 2021

SIDS Position Paper Comments (Distributed to the Board on 23 September 2021)	Secretariat Response
1a. Risk Category: Up to B	This option has been retained in the B.32 document – see paragraphs 29-30 and annex II paragraph 4b.
1b. Funding Size: Up to USD 50 million	This option has been retained in the B.32 document – see paragraph 31 and annex II paragraph 4a.
<p>2. Acknowledgement in the paper that:</p> <ul style="list-style-type: none"> - <i>'the SAP has been responsive to LDCs but not to SIDS, which currently hold a smaller proportion of the portfolio than they do for the remainder of GCF project'</i>¹ - <i>the current SAP process has not produced the expected effect: the time it takes from CN submission to FP approval (median of 365 days) is not significantly shorter than for the PAP (median of 399 days).'</i>² 	Noted.

¹ GCF IEU, 'Independent Assessment of the GCF's Simplified Approval Process (SAP) Pilot Scheme' 2020, p 11

² GCF IEU, 'Independent Assessment of the GCF's Simplified Approval Process (SAP) Pilot Scheme' 2020, p 31

<p>- 'SAP processes do not seem to improve the predictability and transparency of the project cycle.'³</p> <p>- 'SAP processes do not seem to improve the predictability and transparency of the project cycle.'⁴</p>	
<p>3. Preparation of a detailed comparative mapping between the PAP and SAP of their:</p> <ul style="list-style-type: none"> - Steps - Corresponding average completion time for each step - Corresponding standards for each step <p><i>(It is envisioned that this will go beyond the IEU's preliminary mapping and guide the Board's consideration of the Updated SAP at B.30 [October 2021])</i></p>	<p>The comparative analysis between PAP and SAP is now reported in Addendum I to the B.32 policy (GCF/B.32/05/Add.01).</p>
<p>4a. Questioning of the SAP Capacity Building Programme – If the SAP is not intuitive for direct access Accredited Entities ('DAEs'), is the modality in fact simplified? Also, the existence of this Programme will potentially create an informal prerequisite for submitting a FP via the SAP that may result in further delays of DAEs access</p>	<p>Noted.</p> <p>The SAP tailored capacity building programme is a recommendation from the IEU SAP assessment noted by the Board at B.30. Some Board members have explicitly supported this activity to be included in the SAP policy. The B.32 policy document highlights the option to keep or remove the proposed SAP capacity building programme for the Board deliberation on this matter</p>
<p>4b. SAP should not create a distinct set of requirements in comparison to the PAP. Rather it should reduce a substantial number of the requirements used under the PAP in order to simplify and accelerate the process. Additional funding for general DAE capacity building should go into the separate window for DAE readiness support not linked to the SAP but rather the PAP.</p>	<p>The SAP preparation and review requirements follow the mandate given by decision B.18/06 to apply the existing project-related policies to SAP. The B.32 policy answers the mandate given by the B.18/06 and B.25/08 decisions that defined the areas of policy changes (consider BBM approval for SAP, expansion of GCF funding among and activities that can be eligible for SAP).</p> <p>The Secretariat stands ready to follow any further guidance on this matter from the Board.</p> <p>On the capacity building, currently the B.XX policy paper does not require any funding allocation for SAP capacity building activities, and recognizes that any SAP capacity building activity should be carried out in coordination with the RPSP.</p>
<p>5. Presentation and approval of any needed increase in capacity within the Secretariat to implement the updated SAP mandates (inclusive of</p>	<p>Noted.</p> <p>The Review of capabilities of the GCF was already approved at B.30.</p>

³ GCF IEU, 'Independent Assessment of the GCF's Simplified Approval Process (SAP) Pilot Scheme' 2020, p 31

⁴ GCF IEU, 'Independent Assessment of the GCF's Simplified Approval Process (SAP) Pilot Scheme' 2020, p 31

<p>the achievement of its key performance indicators ['KPI'] – This should be linked to, and integrated into, the Board’s consideration of the ‘Review of the capabilities of the GCF to deliver increased programming and implementation over 2020–2023 in line with the updated Strategic Plan’</p>	<p>As noted in paragraph 63, the staffing estimates approved by decision B.30/06 did not account for future policy changes, including the SAP. If proposed changes to the SAP are implemented and result in a net increase in the number of SAP proposals, and not PAP substitution, there will be implications on the level of staff that are needed to support SAP origination, reviews, and support implementation. Any related needs will be included in future Secretariat administrative budgets and staffing capacity. Such requests will be carried out in consultation with the Budget Committee.</p>
<p>6. Establishment of a principle for the presumptive existence of climate rationale for adaptation project – Basis for this presumption includes the existence of the ‘unequivocal’ evidence & science from the Intergovernmental Panel on Climate Change, and local and traditional knowledge⁵ - This should be linked to, and integrated into, the Board’s consideration of the ‘Steps to enhance climate rationale’</p>	<p>Noted. The Secretariat agrees that this issue should be discussed in the broader context of the Steps to enhance climate rationale and the B.32 policy paper reflects these inputs in Annex I paragraph (e) where it is specifically requested to the Board to mandate the Secretariat to address this issue in that policy.</p>
<p>7. Development of SAP project templates for different types of climate action particularly to address ‘urgent climate change impacts’⁶</p>	<p>Noted. The development of SAP templates for fast-tracking urgent climate change impacts is addressed in the policy in paragraph 46 and in Annex II, paragraph 7(e).</p>
<p>8. Elimination of scope creep by the Secretariat on the duties of the Accredited Entity – Elimination of the culture within the Secretariat to <i>de facto</i> re-open accreditation during the development of the Funding Proposal</p>	<p>We understand that your comment is mainly referred to the accreditation framework and the Secretariat looks forward to better understanding concerns on this issue.</p>
<p>9. Designation of the Concept Note (‘CN’) Stage of this process as non-mandatory as opposed mandatory – The development of a CN slows down, and add another unnecessary step, to the project development process</p>	<p>The B.30 document proposed to make the SAP CN a voluntary step instead of mandatory (as currently decided through decision B.18/06). This option has been retained in the B.32 policy paper, please see paragraph 36 and annex II paragraph 7(b)(i) and table 1 annex II.</p>
<p>10. Provision of one set of consolidated comments for each FP from both the Secretariat & iTAP than giving proponents with multiple rounds of comments⁷ - This is to ensure that there are clear, streamlined and time-restricted steps as it relates to matters on, <i>inter alia</i>, information requests, and other review and approval functions of the Secretariat & iTAP⁸ This will assist in the efforts to ensure that there is no unnecessary duplications in the process.</p>	<p>As noted in the B.30 document and as has been retained in paragraph 49 of the B.32 document, the SAP internal standard operating procedures include the modality to consolidate and share technical feedback with the AEs in “one-go” as recommended by IEU.</p>

⁵ This builds off of the IEU Recommendation 2(b)

⁶ This builds off of the IEU Recommendation 2(b)

⁷ This builds off of the IEU Recommendation 3(b)

⁸ This builds off of the IEU Recommendation 2(b)

<p>11. Requirement for pre-feasibility studies should be in line with the previously mentioned principle of presumptive existence of climate rationale for adaptation project. The guidelines for the SAP pre-feasibility studies should be revised and aligned with this principle</p>	<p>Noted. Annex II paragraph (c) reflects the request to update the guidelines for the SAP pre-feasibility studies in line with such principle of presumed existence of climate rationale for SAP adaptation funding proposals.</p>
<p>12. Questioning of the utility of engagement with technical reviewers' experts provided by reputed professional firms in the SAP review process to address capacity gaps – This appears to be an added layer of bureaucracy and would require capacity building for external entities in the SAP review process which can be better served internal with the Secretariat</p>	<p>The engagement of technical experts is meant to ensure that there is no shortage of capacity to process SAP proposal reviews within the service time standards indicated in the SAP related KPIs. It will not add any layer of bureaucracy or generate additional comments for the AEs. On the contrary, we expect that through this technical support the Secretariat will be in a position to provide timely and actionable feedback to the DAEs; and share the review feedback in “one-go” within the timeline set by the SAP KPIs.</p>
<p>13. Establishment of Key Performance Indicators to <i>‘incentivize task managers, at the relevant Secretariat divisions, to prioritize and promote the processing of proposals and projects through the SAP modality’</i>⁹. For example:</p> <p>-Approval process time period for KPI: (i.e. from the initial submission by the AE during project development to first disbursement in the post-approval stage) <i>No more than six (6) months</i></p> <p>-Secretariat Response KPI: <i>No more than 1 round of comments with no more than two (2) weeks to collect and comment the response to AE</i></p> <p>iTAP KPI: <i>No more than 1 round of comments with no more than two (2) weeks to collect and comment the response to AE</i></p> <p>SIDS Access KPI: <i>At least 50% of all SAP per year</i></p>	<p>The B.32 policy includes a provision noting a baseline of KPIs for certain SAP-related actions was set through decision B.30/09 and calling for their annual review, and when feasible, appropriate increases in their ambition. Please refer to paragraph 49, Annex I (d) and annex II paragraph 12.</p>
<p>14. Identification of aspects of the legal arrangements process that can be simplified noting the limited access to legal services within a number of DAEs¹⁰ – This should be considered by the Office of the General Counsel and other relevant GCF Secretariat colleagues. This includes:</p>	<p>Noted. The B.32 policy discusses/addresses the simplification of these aspects (paragraph 50, table 1 and Annex II 9 and 10).</p>

⁹ GCF IEU, ‘Independent Assessment of the GCF’s Simplified Approval Process (SAP) Pilot Scheme’ 2020, p 31

¹⁰ This builds off of the IEU Recommendation 3(b)

<p>- Need for multiple legal opinions after the signing of a legally binding Funded Activity Agreement – How does this compare to the processes in our funds, banks, and institutions? - Creation and wide dissemination of templates for all type of legal opinions</p>	
<p>15. Identification of standard conditions for Funded Activity Agreements that can be simplified</p>	<p>The Funded Activity Agreement essentially reflects the terms and conditions agreed (and approved by the Board) in the term sheet. Therefore, the AEs are aware of the standard conditions in advance. This can be evidenced by the fact that many FAAs are being signed with zero time gap - at the Board meeting promptly after the FP is approved. The GCF Programming Manual provides guidance to the AEs on the Term Sheet and the FAA processes.</p> <p>Many of the standard conditions in the FAAs pertain to the GCF's fiduciary duties (e.g. verification of bank account, specimen signature of the requester, disbursement schedule, legal opinions confirming valid and binding agreements, etc.). The Secretariat is mindful that the simplification should not be done at the cost of quality, fiduciary duty and standard of care to protect GCF's resources and interests.</p>