Introduction
Strengthening complementarity between funds across the climate change and biodiversity landscape is critical to maximize impact. This is especially true for the newly established Loss and Damage Fund (L&D Fund) and the Kunming-Montreal Global Biodiversity Framework Fund (GBFF), which both stress the need for strong complementarity within their mandates.

To make the biggest impact with limited resources, and avoid fragmentation of the finance landscape, the boards of these new funds must learn from previous experiences and lessons on how to work in a collaborative manner.

Major climate funds have engaged in complementarity initiatives in recent years which can offer valuable lessons to the new funds. Funds including the Adaptation Fund (AF), Climate Investment Funds (CIF), Global Environment Facility (GEF), and Green Climate Fund (GCF), have established a collaborative relationship through initiatives such as the Long-term Vision on Complementarity, Coherence, and Collaboration (LTV) between the GCF and the GEF and the Climate Funds Collaboration Roadmap (GCF-GEF-AF-CIFs). These initiatives have helped funds coordinate better through their annual meetings, learn about distinct monitoring and evaluation frameworks at the technical level and prioritize co-development with countries to develop projects together.

As the L&D Fund and the GBFF work to satisfy the complementarity provisions within their mandates, there are three main considerations to keep in mind:

• To maximize the impact of the L&D Fund and GBFF, it’s crucial that their governance enables collaboration across various financing sources and partners. A strategic approach involves integrated financing mechanisms, focusing on models that cater to both climate and biodiversity goals. This may include using blended finance and merging public, private, and philanthropic funds to optimize resources and minimize risks.

• Collaboration beyond financing should include strategic partnerships that leverage diverse strengths and capabilities. Increased collaboration can also facilitate policy coherence and standardized measurement frameworks to evaluate project impacts on climate and biodiversity.

• Programming and implementation should achieve multiple objectives, ensuring that investments and contributions have wide-reaching impact.
Planning and programming

Funding partners may have diverse approaches, requirements, and objectives when designing and implementing transformative projects in collaboration with countries. To better facilitate country access to these sources of funding, it is important that investment plans are in alignment with key international agendas, including the Paris Agreement and the Global Biodiversity Framework. This alignment can help replicate and scale up partnerships that can achieve climate and biodiversity goals.

The L&D Fund governing instrument calls for the coordination of financing channels to improve synergies and coherence, and the GBFF similarly is positioned to complement existing support. To achieve these directives, here are some feasible measures the funds can pursue to efficiently support countries in achieving their national climate and biodiversity goals:

- **Improving coordination among focal points to identify synergies between funding sources at the national level.** Due to differences in institutional arrangements across countries, various focal points are assigned, which can lead to redundant efforts.
- **Using joint funding and resources to facilitate programming and project preparation.** By funding projects in a sequential or parallel manner, the process of project preparation can be streamlined, along with the required documentation for establishing successful projects. This includes preliminary research, technical evaluations and other customary studies that are conducted during the project development phases.
- **Developing a cohesive strategy for joint programming, leveraging unique strengths and lessons learned.** This would ensure that countries can access funding and promote consistency throughout their project pipelines and portfolios, considering the availability of grant-based options in addition to other financial tools that enable the mobilization of private resources or philanthropic support.
- **Established funding partners providing valuable experience to the new funds regarding program development and management.** Even well-known funds such as GEF, AF, CIFs, and GCF have undergone extensive learning and refining of their protocols to encourage more non-traditional financial actors to participate.
- **Identifying potential executing partners able to facilitate the scaling up of successful projects.** It may require the involvement of executing partners with higher levels of expertise and more ambitious goals. This approach can enable project development to leverage the synergies between the proposed initiative and established successful projects.

### STREAMLINING ACCESS BY COUNTRY

One of the pillars of the GCF-GEF Long-Term Vision on Complementarity and Coherence has been facilitating collaborative and coordinated country programming to streamline access, minimize potential duplication of funding, and facilitate country-driven consultation processes. Some examples include a joint programming approach in Rwanda, continued work under the Great Green Wall, exploration of GCF’s electric mobility projects to scale up with GEF-8 resources, and a complementary approach to access Simplified Approval Process resources, which is a process for projects with climate impact potential to get ready for scaling up and promote low-emission, climate-resilient development.

### Capacity building and readiness

Alongside programming, taking advantage of complementarities in capacity building and readiness can strengthen the effectiveness of the new funds. Readiness involves bolstering national and local capacities and capabilities to help countries access finance and implement plans.

A good example is the AF and GCF collaboration through the Community of Practice for Direct Access Entities, aiming to increase the effectiveness of National Implementing Entities and Direct Access Entities in accessing resources and implementing adaptation and mitigation projects through direct access. It promotes knowledge exchange, learning, collaboration, and peer support.

The L&D Fund governing instrument mandates the fund to improve the speed and adequacy of access to finance, including developing direct access modalities. The new funds can effectively utilize resources to build readiness in a complementarity manner by:

- **Establishing an enhanced understanding of the support needs of countries.** Long-standing funding partners such as GEF, Adaptation Fund, and GCF can play a pivotal role in leveraging their shared experiences and expertise to identify and build upon the most pressing needs of countries.
- **Supporting the preparation and implementation of national climate and nature governance and policies.** Given the inherent linkages between issues related to biodiversity and climate change, the formulation and implementation of national planning offer opportunities to harmonize the global agendas of the Convention of Biological Diversity (CBD) and the UNFCCC, thereby
ensuring that actions under both plans are mutually supportive and well-coordinated.

One way to provide support through readiness resources can be by deploying financing sequentially for National Adaptation Plans (NAPs) and National Biodiversity Strategies and Action Plans (NBSAPs). For instance, GCF readiness resources can be leveraged for NAP preparations, while the Least Developed Countries Fund and the Special Climate Change Fund, both from GEF, can be utilized to facilitate NAP implementation. This approach can be scaled up to target NBSAPs and the GBFF, thereby contributing to the effective implementation of the CBD Strategic Plan for Biodiversity 2011-2020.

- **Pursuing complementarity in national investment planning by distributing the workload based on the value added by each funding partner.** While there may be distinct processes and timelines for prioritizing investments at the country level, there are opportunities for coordinated or joint national investment planning. Priorities and strategies can be synthesized into a cohesive whole, where climate change and biodiversity intersect and mutually reinforce each other, thereby enhancing the efficacy of national investment planning.

**Delivering resources at scale**

To address national climate and biodiversity concerns, the allocation of adequate resources is needed. This requires coordination between policies and strategies. Identifying and exploring areas of overlap between government policies can increase the coherence of financing, leading to a more effective allocation of resources. This could be done through:

- **Prioritizing and pooling financial resources towards actions to address ecosystem services that are instrumental in mitigating climate risks and are susceptible to the effects of climate change.** For example, the first two action areas of the GBFF require resources that should aim to support conservation and restoration to enhance biodiversity and ecosystem functions, expand protected areas, and strengthen governance and stewardship by Indigenous Peoples and local communities.

- **Optimizing funding opportunities through the strategic combination of grants and non-grant instruments.** Climate funds and philanthropic sources offer grants, but non-grant instruments can also de-risk investment through capital markets. In developing countries, climate-resilient, low-emission investments are often deemed non-bankable due to high upfront costs and risks. However, concessional financing can help mitigate these risks and mobilize private investment.

**Delivering Finance in Ecuador**

An example of delivering finance at scale while working with partners is the **PROAmazonia** program in Ecuador. This program showcases not only the complementary provision of resources from GCF and GEF but also articulated work with different governmental institutions and decentralized autonomous governments. The program has made significant progress in protecting forests and benefiting various Indigenous communities, farmers, and local governments. This collaborative effort comprises four key components: policy and institutional development; transition to sustainable production systems; conservation, restoration, and sustainable forest management; and implementing REDD+ and securing financing.

- **Collaborating on innovative resource mobilization practices among funding partners and countries.** This exchange may facilitate tapping into new funding sources. However, it is crucial to note that the exploration should not only be a platform for sharing experiences, but it should also strive for concrete outcomes that can be piloted and tested in partnership with countries.

- **Co-financing specific activities of projects based on the extent of priorities and objectives.** Often, countries propose ambitious projects that may lack the required resources to implement them entirely. However, funding partners may collaborate to co-finance project workstreams under their institutional priorities, thus enabling the country to generate co-benefits incorporating elements of resilience, Nature-based Solutions (NbS), gender, Indigenous Peoples, and youth.

The introduction of **Nature-based Solutions (NbS)** for climate change presents a multifaceted opportunity, combining the protection and restoration of critical ecosystems like forests and mangroves with enhancing their resilience to climate impacts such as floods, thereby supporting local and Indigenous communities. Additionally, healthy and biodiverse ecosystems are more capable of storing carbon and adapting to climate variability, aligning with international efforts like the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework. This approach advocates for transformative climate actions at the national policy level through cooperation and the synergy of biodiversity and climate goals.

**Aligning efforts, the way forward**

To effectively tackle climate change and biodiversity loss, it’s crucial to utilize a range of international sources, mechanisms, and instruments through collaboration and strategic
alignment. The GBFF and L&D Fund are well-positioned to enhance climate financing by promoting collaboration at the board level, forging new partnerships, and working toward common goals for greater impact. This collaborative approach improves the effectiveness and results of environmental investments.

Ensuring **policy coherence** is essential for effectively addressing climate and biodiversity issues. By aligning national strategies for both climate and biodiversity, we can facilitate integrated planning and implementation, and avoid duplicating efforts. For example, following a recommendation in the L&D fund’s governing instrument, the fund and the existing Santiago Network for Loss and Damage should align efforts in a coherent manner. This synergy isn’t just about matching up strategies but also fostering a shared understanding among funding partners to strengthen initiatives in areas such as needs assessment, readiness support, and joint programming.

Encouraging **innovation in financing** is also critical, spanning a range of instruments from grants to blended finance, to attract new investments and engage the private sector. It’s vital to share knowledge, best practices, and successful approaches among countries and funding partners for continual improvement and innovation. This collective wisdom is foundational to advancing transformative climate actions and biodiversity conservation efforts. The approach to complementarity is both experimental and adaptive, crafted to leverage existing resources towards our common goals. With substantial progress already made, the entry of new funds and other players offers a fresh opportunity to build a unified vision with stakeholders eager to contribute, thus amplifying the impact of environmental actions.