

FUNDING, RESTORING AND PROTECTING GLOBAL WETLANDS

Wetlands store twice as much carbon as all the world's forests combined, making them essential for ensuring a stable climate. They also support the livelihoods of over a billion people worldwide. However, we are losing them at a rate three times faster than forests. Global commitments to protect and restore wetlands remain underfunded.

Current funding for nature-based solutions to keep global heating below 1.5°C, halt biodiversity loss and achieve land degradation neutrality is only a third of the nearly half a trillion USD required by 2030, according to the 2022 [UN State of Finance for Nature](#) report. **At COP26 in Glasgow, 12 donors, including the European Commission, committed USD 12 billion up to 2025 as part of a new [Global Forest Finance Pledge](#), without making a similar pledge for wetland-related climate finance.** Meanwhile, globally critical wetlands like the Pantanal, the largest tropical wetland on Earth, are threatened like never before. The Pantanal is almost half the size of Germany and home to about half of the planet's jaguars, but it faces a range of pressures which add up to an existential risk. The Pantanal, which stretches through Brazil, Bolivia and Paraguay, is facing catastrophic [fires](#) that have been fueled by both climate change and unsustainable agricultural practices, including on [farms eligible to export to the EU](#). Once unthinkable, catastrophic fires in this wetland are happening almost every year. In the 2020 fires in the Pantanal,

an area almost the size of Belgium burned - releasing the same amount of carbon emissions as Belgium did for the entire year in the process. This year, the situation is even worse: as of 31st August, more than 2.5 million hectares has burned, an area bigger than Slovenia, with the fires and the dry season expected to continue until November. Unless the global community acts to halt the catastrophic fires and reverse these impacts now, we might witness this unique biome disappearing within our generation.

“If we are the ones triggering deforestation, we can do something about it.”

Ursula Von Der Leyen, President of the European Commission, at the signing on behalf of the EU of Forest Partnerships at [COP27](#).

In view of the upcoming climate COP30, in Bélem, Brazil in November 2025, it is urgent to consider what more the EU can do to help protect and restore the Pantanal - and similarly threatened wetlands - to protect our climate. Concretely:

MEPs must urge Commissioners to recognise the indispensable role of wetlands for the climate, biodiversity and the global economy. They must commit to increase the protection of wetlands by funding their protection and restoration, including through Wetland Partnerships, and to secure a donor pledge at COP30 of at least USD 12 billion for wetland-related public climate finance.



To design such Wetland partnerships in the run up to the COP30, lessons can and should be drawn from:

1. Forest Partnerships

Forest Partnerships were developed by the EU in line with the EU Green Deal and in partnership with the needs and conservation strategies of non-EU countries, to help protect globally critical forests and facilitate sustainable trade, investment and job creation. At COP27, [President Von Der Leyen](#) signed, on behalf of the EU, a Memorandum of Understanding (MoU) with 5 non-EU countries, including with Guyana, Zambia and the Republic of Congo, committing to invest [450 million EUR until 2024](#) as part of the EU's Global Gateway. For example, the 2022 EU-Zambia Forest Partnership [MoU](#) aims to strengthen forest governance, improve monitoring and regulation, and support legislative and policy development in Zambia that help ensure forests contribute to Zambia's climate targets under the Paris Agreement. It also seeks to foster innovative finance models that link community and private sector interests. If the EU could develop a similar policy instrument for Wetlands, and prepare to agree to sign MoUs focussed on wetlands with non-EU countries at COP30, this may help galvanise restoration efforts for globally critical wetlands too.

2. Amazon Fund

Established via Presidential Decree in 2008, the Amazon Fund ([Fundo Amazônia](#)) is a [REDD+](#) mechanism that allows international donors to allocate resources for funding projects that aim to reduce deforestation in the world's largest rainforest. After signing a [MoU](#), Norway paid over [1 billion USD](#) into the fund between 2008 and 2019. Germany has also donated to the fund. Brazil's previous government suspended the fund, but under the new Lula government, these countries, as well as the [EU](#), [France](#) and the [UK](#) have reportedly explored interest in (re) starting donations into the Fund. Germany said their commitment depended on Brazil creating the right "conditions". In July 2024, the Biden Administration confirmed sending a new multi-million tranche into the fund, as part of a 2023 commitment to secure U.S. Congressional approval for half a billion USD by 2028.

It did so following what it called the "[extraordinary success](#)" of the Lula administration in "[reducing deforestation in the Amazon Biome by half in 2023](#)".

The Brazilian Minister of Environment and Climate Change, Marina Silva, has proposed the creation of [a Fund to protect other biomes](#), like the Pantanal, for international donors to pay into. This could represent an opportunity to secure similar bilateral agreements to send resources conditionally into a fund for the world's largest tropical wetland. Broadening the scope of projects that can be funded in other biomes, [including the Pantanal](#), through the Amazon Fund could also be explored.

3. Multilateral Fund

In face of an acute deterioration of a global environmental common - namely the ozone layer - UN states agreed to a Multilateral Fund, managed by a Secretariat, in 1990, to tackle the Ozone Layer crisis. Based on the principle of common but differentiated responsibility, a narrow programme and targets, and decision-making based on scientific input, the fund targeted cost-effective interventions involving "easily identifiable enterprises with high consumption" of Ozone Depleting Substances. It has been regarded as a "[clear success](#)". Replicating the unique set of circumstances that created this instrument may not be possible. Yet like with the Ozone Layer, [there is a scientific consensus and urgency to protect wetlands like the Pantanal](#). This may offer an opportunity for UN states, ahead of COP30, to agree to a narrow programme and to direct existing resources to a (set of) internationally trusted, independently managed funding mechanism(s) to restore it.

"We have transformed nature into money and now we need to transform money into restoration and the protection of nature if we intend to continue living"

Marina Silva, Brazilian Minister of Environment and Climate Change, August 15th, 2024, at the plenary of the Participatory Climate Plan in São Paulo, Brazil.

4. Partnerships for forests (P4F)

UK Aid funded the P4F project over 8 years to serve as a mechanism for plugging the funding gap in nature-based solutions for climate change (namely forests), notably by seeking to mobilise private capital. Local businesses needed to show adequate capacity to maturely manage such capital. Such businesses could be those focussed on developing Non-timber Forest Products, like Brazil nuts and açai; sustainable forms of agriculture; or sustainable timber or agroforestry. While the amounts invested were modest (18.7 million GBP in grants) the private capital generated was roughly 6 times higher. This form of funding and project support may also be worth considering to replicate for wetlands protection as an addition or alternative to the above options.

“We know the urgency is there. [...] Science gives us no excuse for not acting.”

Veronica Manfredi, Director for Zero pollution & Green Cities, DG Environment, European Commission (EU Green Week: Roundtable on EU Wetland Partnerships, 17 June 2024)



Environmental Justice Foundation (EJF)

Belgium: Rue de l'Industrie 10, 1000, Bruxelles
sean.parramore@ejfoundation.org
ejfoundation.org

National Representation: Belgium, Brazil, Cameroon, France, Germany, Ghana, Indonesia, Japan, Liberia, Senegal, South Korea, Spain, Taiwan, Thailand, UK
Transparency Register Number: 817535514065-10



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