

Agenda item 10.2

**Evaluation of the Ramsar Endowment Fund as a mechanism to
resource the Small Grants Fund**

Action requested: The Standing Committee is invited to consider and approve the attached draft Resolution for consideration by COP9.

Note by the Ramsar Secretariat

1. The Standing Committee will recall that COP8 Resolution VIII.29 instructed the establishment of a Ramsar Endowment Fund (REF) as a mechanism for developing a sound resource base for funding the Ramsar Small Grants Fund, but that subsequently, owing to concerns of Parties, the Standing Committee could not reach consensus on the required *modus operandi* for the REF.
2. In the light of this, it was recommended at the 30th meeting of the Standing Committee that the further work necessary to attempt to establish the REF should not be pursued, but rather that other ways and means of achieving the objective of the REF, that of increasing the access to global resources by Parties to secure the conservation and wise use of wetlands, should be further considered.
3. This matter was further discussed by the Standing Committee's Subgroup on Finance when it met in March 2005, and the Subgroup decided (Decision Finance SG-4) to prepare a recommendation to SC31 on how to proceed with this issue to COP9 and a draft COP9 Resolution to include identification of alternative funding mechanisms and opportunities for better accessing other existing funding sources.
4. Accordingly, Canada (as Chair of the Subgroup on Finance) and the Secretariat have prepared the attached draft Resolution (COP9 DR14) for consideration by the Standing Committee for approval and transmittal to COP9.
5. Since the decision to establish an REF was made by the COP, it is necessary for the COP to make any further decision on this matter. The proposal in COP9 DR14 invites Parties at COP9 to rescind the COP8 decision to establish an REF, but to continue to seek alternative mechanisms for securing funding for the Ramsar Small Grants Fund.
6. As indicated in Decision SG-4 of the Finance Subgroup in March 2005, the Subgroup is preparing a more detailed analysis report to the 31st meeting of the Standing Committee summarizing the process since COP8 to date, which will be included for SC31 consideration as DOC. SC31-27 Additional Paper

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COP9 DR14

Evaluation of the Ramsar Endowment Fund as a mechanism to resource the Small Grants Fund

1. RECOGNIZING that the Ramsar Small Grants Fund for Wetland Conservation and Wise Use (SGF) is an extremely valuable mechanism for facilitating the implementation of the Convention in developing countries and countries with economies in transition;
2. RECALLING paragraph 12 of Resolution VIII.29 which agreed to establish a Ramsar Endowment Fund to resource the SGF, which was to become operational when the Standing Committee established its *modus operandi*;
3. NOTING WITH CONCERN that although the Ramsar Secretariat prepared a draft *modus operandi* for the Ramsar Endowment Fund, consensus by the Standing Committee on the *modus operandi* could not be obtained;
4. FURTHER RECALLING paragraph 13 of Resolution VIII.29 which established the following principles, taking into account the views expressed by Contracting Parties, as the basis for the establishment of the *modus operandi* of the Ramsar Endowment Fund:
 - a) the contributions to the Ramsar Endowment Fund shall be voluntary;
 - b) the operation and management of the Ramsar Endowment Fund shall be under the authority of this Conference of the Parties;
 - c) the Ramsar Endowment Fund shall become operational when the Standing Committee has agreed the Fund's *modus operandi* and when a certain threshold level of capital has been guaranteed;
 - d) there shall be an interim review of the Endowment Fund at COP9 based on recommendations from the Standing Committee, and a comprehensive review at COP10 where, if the threshold capital has not been guaranteed by that time, the continued existence of the Endowment Fund shall be re-examined; and
 - e) the Standing Committee shall create a body of financial experts to manage the finances of the Endowment Fund;
5. RECOGNIZING the challenge to raise the proposed capital threshold of five million Swiss francs for the Ramsar Endowment Fund, and AWARE THAT, from its establishment in 1991 until 2000, the SGF has only attracted a total amount of funding of 5,080,880 Swiss francs;
6. NOTING WITH CONCERN the financial and staffing commitment required by the Ramsar Secretariat to promote and raise the capital threshold for the REF; and
7. RECOGNIZING that the Standing Committee at its 30th meeting considered that the Ramsar Endowment Fund is not the most effective mechanism to raise funds to resource the SGF and agreed the need to identify further options to resource the Fund;

THE CONFERENCE OF THE CONTRACTING PARTIES

8. REITERATES its conviction that the Ramsar Small Grants Fund for Wetland Conservation and Wise Use (SGF) is an extremely valuable mechanism for facilitating the implementation of the Convention;
9. RESCINDS its decision to establish a Ramsar Endowment Fund to resource the SGF;
10. INSTRUCTS the Secretary General to propose to Standing Committee at its 34th meeting possible strategies for improving the status and resourcing the SGF;
11. URGES the Standing Committee, with the assistance of the Ramsar Secretariat, to nonetheless aggressively pursue alternative funding mechanisms to resource the SGF; and
12. REQUESTS the Standing Committee to bring to COP10 new proposals for establishing a more vigorous mechanism to support the SGF, including the development of regional support funds.