

CONVENTION ON WETLANDS (Ramsar, Iran, 1971)

**29th Meeting of the Standing Committee
Gland, Switzerland, 26- 28 February 2003**

DOC. SC29-11

Agenda item 10.3

***Modus operandi* of the Ramsar Endowment Fund**

Action requested: The Standing Committee is requested to consider the way in which the Ramsar Endowment Fund to resource the Small Grants Fund should be established and take a decision on this matter. The Bureau has supplied a draft modus operandi as a discussion paper and has suggested a draft decision as well.

1. Resolution VIII.29 established the Ramsar Endowment Fund (REF) and authorized the Standing Committee to establish its *modus operandi*.
2. COP8 had at its disposal the information document Ramsar COP8 DOC. 17 entitled *Feasibility of establishing an Endowment Fund to resource the Ramsar Small Grants Fund for Wetlands Conservation and Wise Use*, which contained proposals for the *modus operandi* of the REF.
3. The Bureau has prepared the attached draft decision for the consideration of the Standing Committee, based on the content of the above-mentioned document, taking into account the observations received from some Parties.

Draft Decision of the Standing Committee, prepared by the Bureau

Taking into account Resolution VIII.29, which records, *inter alia*, that the Conference of the Parties:

12. AGREES TO ESTABLISH a Ramsar Endowment Fund to resource the SGF, which shall become operational when the Standing Committee establishes its *modus operandi* according to paragraph 13 below;
13. AUTHORIZES the Standing Committee to establish the *modus operandi* of the Ramsar Endowment Fund, taking into account the views expressed by Contracting Parties during the debate on this matter, and on the basis of the following principles:
 - 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;
14. AUTHORIZES FURTHER the Standing Committee to start operating the Endowment Fund as soon as the threshold level of capital, as stipulated in the *modus operandi*, has been reached; and
15. CALLS UPON foundations, non-governmental organizations, businesses and individuals to make contributions to the Ramsar Endowment Fund; and INVITES Contracting Parties to consider making contributions to the Ramsar Endowment Fund when the *modus operandi* of the Endowment Fund has been established.”

The Standing Committee

1. DECIDES:

- a) that the *modus oprandi* of the Ramsar Endowment Fund (REF) shall be as described in the Annex to this Decision;

- b) that the Chair of the Subgroup on Finance shall work with the Secretary General to prepare by 30 March 2002 a proposed list of members of the REF Board which should be submitted for approval by the Standing Committee by e-mail; and
 - c) that the Ramsar Endowment Fund shall become operational when contributions to the Fund have reached the amount of five million Swiss francs;
2. REITERATES the call of the Conference of the Parties to foundations, non-governmental organizations, businesses and individuals to make contributions to the Ramsar Endowment Fund, and INVITES Contracting Parties, now that the *modus operandi* for the Fund has been established, to consider making contributions to the Ramsar Endowment Fund;
 3. REQUESTS the Bureau to prepare appropriate materials to introduce and promote the Ramsar Endowment Fund and a draft fundraising strategy for submission to the REF Board at its first meeting;
 4. INVITES all members of the Standing Committee and the Ramsar Administrative Authorities in a position to do to actively support the Ramsar Bureau in its endeavours to obtain resources for the Ramsar Endowment Fund; and
 5. Establishes a REF Fundraising Support Group composed of [3 to 5 Standing Committee members and 2 to 4 Partners] to support the Bureau in its fundraising efforts, in accordance with the financial strategy elaborated by the REF Board.

Modus operandi of the Ramsar Endowment Fund (REF)

Purpose

1. As established in Resolution VIII.29 of the Conference of the Contracting Parties, the Ramsar Endowment Fund shall serve as a mechanism to generate resources for funding projects submitted by eligible countries to the Ramsar Small Grants Fund for Wetland Conservation and Wise Use (SGF), established by Resolution IV.3 of Ramsar COP4 in 1990, and reviewed through Resolutions V.8, VI.6, VII.5 and VIII.29 of subsequent meetings of the Conference.
2. Project funding under the SGF shall continue to be done on the basis of the Operational Guidelines established by the Standing Committee after each meeting of the Conference of the Parties.

Sources of funding

3. It is expected that the sources of capitalization of the REF shall be multiple and varied. The endowment would be capitalized by donations from governments, NGOs, foundations, private companies, and individuals.
4. The REF shall also accept interest-free loans that donors might be willing to contribute to the Fund for a fixed period of time.
5. The Standing Committee shall also consider proposals from the Secretary General to capitalize the REF with income that may become available to the Ramsar Bureau over and above the Ramsar core budget and/or with surpluses in the Ramsar Reserve Fund (Resolution VI.17).

The *modus operandi*

6. The REF shall be managed by an REF Board appointed by the Standing Committee of the Convention and composed of ten members reflecting a broad range of skills in the field of finance, environment, development, administration, fundraising and marketing. Four members of the REF Board shall be selected among officers serving in the Ramsar Administrative Authority of Contracting Parties from different Ramsar regions; three members shall be selected among officers serving in the Ramsar International Organization Partners; and three members shall be invited from the donor community, including the governmental, non-governmental and private sectors. The Ramsar Secretary General shall be an *ex officio* member of the REF Board.
7. Members of the Board shall serve *ad honorem* and for an initial period of three years. Their designation could be renewed for further periods.
8. The REF Board shall have authority to take decisions in all matters related to the management of the REF, including fundraising and all administrative and financial matters.
9. The Secretary General shall have authority to sign all financial documents in accordance with the existing Ramsar financial rules and regulations, and as mandated by the Board.

10. The Board shall meet either in person, resources permitting, or through tele/video conference at least twice a year but more often, if needed, during the first year or two of the REF.
11. In its first meeting, the Board should designate its Chair and Deputy Chair and assign responsibilities to each Board member. Decisions of the Board should be taken by consensus.
12. The Board shall adopt its work plan, including a fundraising and marketing strategy, on the basis of draft documents prepared by the Ramsar Bureau.
13. The Secretary General, on the advice of the REF Board, shall request IUCN, as the legal persona of the Ramsar Bureau, and in line with the existing Ramsar financial regulations, to open a REF account in an appropriate location.
14. The Board shall decide on an investment and financial strategy for the REF, taking into account the necessity of reaching a critical mass of capital of five million Swiss francs before beginning to disburse the proceeds of the endowment to the SGF.
15. The REF Board shall establish investment restrictions for the REF upon any activity having a negative impact on the environment and on any kind of unethical activity.
16. The Ramsar Bureau shall act as the administrative secretariat of the Board for all relevant tasks, including bookkeeping, arrangement for meetings, etc.

Annual Reports

17. The REF Board shall prepare a detailed report on the REF for each regular meeting of the Standing Committee. After the Standing Committee has reviewed such reports, the Secretary General shall circulate them all Contracting Parties and donors, together with the report on the SGF allocations.

Dissolution of the REF

18. Should the Conference of the Parties decide to discontinue the REF, each donor shall be consulted on a case by case basis as to the destination that should be given to the contributions made to the Fund.