

The Convention on Wetlands (Ramsar, 1971): An Active Player in the Fight Against Poverty

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Executive summary

In all regions of the world, human populations are suffering social, economic and environmental hardships resulting from the destruction and mismanagement of their natural resources, notably including their wetlands and water resources. This destruction, which is continuing at alarming rates in many countries, is contributing to escalating poverty and water supply and food security problems, as well as robbing the planet of the biological diversity with which wetlands are endowed.

The Convention on Wetlands wants to be an active player in trying to reverse these trends and believes that it is essential to integrate the conservation of wetlands and sustainable development activities as a contribution to the eradication of poverty. This paper reviews the Ramsar Bureau's work to help achieve this major objective.

The role of the Bureau in these endeavors is not to implement any kind of projects *per se* but rather to stimulate, advice or initiate processes either with its traditional or with new partners.

The Ramsar Convention

The Convention on Wetlands (Ramsar, Iran, 1971) is one of the oldest of the global multilateral environmental agreements (MEAs). It owes its origins to what was rightly perceived as an urgent need to combat widespread drainage and destruction of wetlands and the habitats they provide for a large number of species, notably waterbirds.

The Convention's mission is "the conservation and wise use of all wetlands through local, regional and national actions and international cooperation, as a contribution towards achieving sustainable development throughout the world."

The Ramsar Convention takes a broad approach in determining the wetlands which come under its aegis. Under the text of the Convention (Article 1.1), wetlands are defined as:

“areas of marsh, fen, peatland or water, whether natural or artificial, permanent or temporary, with water that is static or flowing, fresh, brackish or salt, including areas of marine water the depth of which at low tide does not exceed six metres”.

In addition, the Convention (Article 2.1) provides that wetlands “may incorporate riparian and coastal zones adjacent to the wetlands, and islands or bodies of marine water deeper than six metres at low tide lying within the wetlands”.

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As a result of these provisions, the coverage of the Convention extends to a wide variety of habitat types, including rivers and lakes, coastal lagoons, mangroves, peatlands, and even coral reefs. In addition, there are human-made wetlands such as fish and shrimp ponds, farm ponds, irrigated agricultural land, salt pans, reservoirs, gravel pits, sewage farms, and canals.

Wetlands are among the world's most productive environments. They are cradles of biological diversity, providing the water and primary productivity upon which countless species of plants and animals depend for survival. They support high concentrations of birds, mammals, reptiles, amphibians, fish and invertebrate species. Of the 20,000 species of fish in the world, more than 40% live in fresh water. Wetlands are also important storehouses of plant genetic material. Rice, for example, which is a common wetland plant, is the staple diet of more than half of humanity.

More and more economists and other scientists are working in the field of the valuation of ecosystem services. This is a difficult task, still full of uncertainties, but there is no other choice than to progress in this direction. Some recent studies have indicated that ecosystems provide at least US\$ 33 trillion worth of services annually, of which US\$ 4.9 trillion are attributed to wetlands.

The interactions of physical, biological and chemical components of a wetland, such as soils, water, plants and animals, enable the wetland to perform many vital functions, for example: water storage; storm protection and flood mitigation; shoreline stabilisation and erosion control; groundwater recharge (the movement of water from the wetland down into the underground aquifer); groundwater discharge (the movement of water upward to become surface water in a wetland); water purification through retention of nutrients, sediments, and pollutants; and stabilisation of local climate conditions, particularly rainfall and temperature.

Wetlands provide tremendous economic benefits, for example: water supply (quantity and quality); fisheries (over two thirds of the world's fish harvest is linked to the health of coastal and inland wetland areas); agriculture, through the maintenance of water tables and nutrient retention in floodplains; timber production; energy resources, such as peat and plant matter; wildlife resources; transport; and recreation and tourism opportunities.

In addition, wetlands have special attributes as part of the cultural heritage of humanity: they are related to religious and cosmological beliefs, constitute a source of aesthetic inspiration, provide wildlife sanctuaries, and form the basis of important local traditions.

These functions, values and attributes can only be maintained if the ecological processes of wetlands are allowed to continue functioning. Unfortunately, and in spite of important progress made in recent decades, wetlands continue to be among the world's most threatened ecosystems, owing mainly to ongoing drainage, conversion, pollution, and over-exploitation of their resources.

Since its inception the Convention has progressively developed its scope and approach to address the sustainable utilisation of wetlands (considered to be synonymous with the Convention's concept of "wise use") in the context of integrated territorial and water resource planning and management. The Convention stresses that it is essential to integrate the conservation of wetlands and sustainable use as a contribution to the health and well-being of people through sustainable development everywhere.

However, in all regions of the world, human populations are suffering social, economic and environmental hardships resulting from the destruction and mismanagement of their natural resources, notably including their wetlands and water resources. This destruction, which is continuing at alarming rates in many countries, is contributing to escalating poverty and water supply and food security problems, as well as robbing the planet of the biological diversity with which wetlands are endowed. Its causes are multiple - from local actions and national policies to global issues.

Major global issues influencing the conservation and wise use of wetlands include:

- a) climate change and its predicted impacts, including changing and more extreme patterns of drought, storms and flooding; rises in sea temperature and sea level; thawing of permafrost and glaciers; and changes in the ecosystem distribution and quality; and the implications of these for species' survival;
- b) increasing globalisation of trade, including in agricultural products, fisheries and other natural resources;
- c) the changing role of national governments through increasing privatisation of services (including water supplies), devolution of decision-making responsibilities, and greater empowerment of local communities;
- d) increasing land-use pressures leading to continuing loss and damage to wetlands and their values and functions;
- e) increasing population pressure and economic challenges placing local communities in the developing world on the edge of survival;
- f) the increasing influence in the developing world of development banks and international development agencies and the need to ensure that such agencies are fully engaged in the major issues affecting wetlands; and
- g) the need to ensure continuing political support and public interest in biodiversity issues and sustainable development ten years after the establishment of Agenda 21 through the Rio 92 process.

The first general objective of the draft Ramsar Strategic Plan 2003-2008 is related to *the wise use of wetlands* and invites the Convention to stimulate and assist all Contracting Parties to develop, adopt and use the necessary and appropriate instruments and measures to ensure the wise use of all wetlands within their territories, by (among other things):

“f) improving the provision of incentives (including trade incentives) to promote, and removing incentives acting against, the conservation and wise use of wetlands; and

g) involving the private sector in the conservation and wise use of wetlands.”

The operational objective 7 of the Strategic Plan relates to the promotion of the involvement of the private sector by encouraging it to apply the wise use principle (Ramsar Handbooks 1 to 6) in their activities and investments affecting wetlands.

It also encourages Contracting Parties to review, in cooperation with the private sector, domestic and international trade in wetland-derived plant and animal products, both exports and imports, and as appropriate implement the necessary legal, institutional and administrative measures to ensure that harvesting is sustainable.

There is no doubt that the promotion of sustainable trade can play a powerful role as an incentive for wetland conservation and for wetland wise uses.

The inclusion of socio-economic concerns into the work of the Ramsar Convention

In line with the overall thrust of the Convention in recent years, the Ramsar Bureau (the Convention secretariat) is actively working to develop the right approaches to making the Convention a useful tool in the fight against poverty and is therefore strengthening its work on the socio-economic aspects of wetland conservation and wise use.

In August 2000, the Ramsar Bureau established a new post for a Senior Advisor on Environment and Development Cooperation. The ToR of the Senior Advisor is to increase the flow of financial resources to developing countries and countries with economies in transition for wetland conservation and wise use, and to promote the inclusion of socio-economic and poverty alleviation concerns into the work of the Convention.

Toward this end, the Senior Advisor is working in four following areas:

1. The promotion of sustainable trade of wetland products as a way to conserve wetlands and alleviate poverty;
2. The promotion of sustainable financial mechanisms for wetland conservation, including economic instruments (emission charges, user charges, taxes, product charges, marketable rights, performance bonds, liability payments, etc.), environmental trust funds, debt swaps, etc.
3. The strengthening of the Convention's work on wetlands incentives and disincentives for wetlands conservation and sustainable use;
4. Support to Contracting Parties in their fundraising efforts for wetland projects and through the strengthening/effective capitalisation of the Ramsar Small Grants Fund.

In order to increase the scope of this programme, the Ramsar Bureau is seeking additional staff support and would welcome a staff secondment from interested Contracting Parties or partners.

The Ramsar Convention and the promotion of sustainable trade of wetlands products

As shown by the UNCTAD's Bio-trade Conference (Lyon, 10-12 November 1998), the demand for natural products is dramatically increasing and the supply of these products is severely limited. In 1987, world trade in aromatic or medicinal herbs amounted to 16.5 billion US\$, which represents a 30% increase over the preceding three years. Europe alone represents 46% of this market. Germany is the leading consumer, followed by France and

Italy. The US and Asia represent each about 19% of the market and Japan 15% (J. Gruenwald, Phytopharm Consulting, Germany).

As part of its work on sustainable trade, the Convention's Bureau is supporting the Bolsa Amazonia² sustainable trade project funded by the EU in Brazil and implemented by the NGO POEMA (Poverty and Environment). The Bureau is also taking the lead in working on the creation of a new sustainable trade facilitation scheme in Indonesia (perhaps to be called Bolsa Nusantara), and the UK Department for International Development (DFID – Indonesia Forestry Multistakeholder Programme) has expressed its commitment to fund this initiative. The Bureau has begun work on the same subject in the Okavango Ramsar Site (Botswana), and in its endeavor, the Bureau has established a close working relationship with the UNCTAD Bio-trade Initiative. Preliminary discussions are taking place with the Cuban authorities to establish links between Bolsa Amazonia and the sustainable trade of wetland products in Cuba. The Bureau is also discussing the possibility of using funds from a debt-for-nature swap between Peru and Germany, through the Peruvian Environmental Fund PROFONANPE, to set up such a programme in Peru.

Bolsa Amazonia : A model to be replicated

Motivated by the figures shown above, the Brazilian NGO POEMA (Poverty and Environment Programme of the University of Pará – Brazil) decided to create a trade facilitation scheme called the Bolsa Amazonia (www.bolsaamazonia.com) to promote the sustainable trade of Amazonian products, alleviate poverty, and help conserve ecosystems.

The basic and driving principles of Bolsa Amazonia are: (1) the protection of Amazonian ecosystems for current and future generations; (2) the alleviation of poverty through the sustainable use of natural resources generating employment and income; (3) the promotion of economic, social and ecological responsibility in producing and marketing natural resources.

The general objective is to promote the sustainable use of the Amazon's natural resources through the establishment of an efficient network of economic relationships between organized, agro-extractive cooperatives and micro-enterprises from the Amazon region with local, national and international companies or interested buyers.

The specific objectives are to:

- Set up Bolsa Amazonia's Marketing Information System (MIS) as an indispensable tool to link supply and demand for natural products from the region;
- Promote the generation of knowledge and transfer of technologies in order to support rural extractive or agro-industries through capacity building in technical, marketing and management skills.
- Identify, open or consolidate new market niches for Amazonian natural products;

² The author of this paper has been actively involved in the creation of Bolsa Amazonia in his previous employment in Brazil.

- Establish partnerships to consolidate business opportunities;

The direct beneficiaries are those poor people living in and around the forest: agro-extractive small producers engaged in the sustainable use of biodiversity, rural cooperatives, and micro enterprises;

The Bolsa Amazonia is very efficiently promoting the sustainable trade of more than 55 products from the major wetland on Earth – the Amazon forest. It is now exporting Brazil nuts, vegetable oils and resins, fruit pulps and natural dyes to Europe, Australia and the United States. It has successfully developed new products and technologies for processing abundant and unused local natural resources like coconut fibers, which today are being processed in four rural factories managed by local communities to make truck seats for the Daimler-Chrysler company in Brazil.

It is also promoting research and innovation for new products, like coconut mattresses, fiber flour vases, curauá or miriti fiber luxury papers. The potential for products is virtually unlimited.

The Ramsar Bureau strongly believes that by initiating or supporting this kind of activities, it will help conserve wetlands and promote their wise use, and will therefore also efficiently promote the objectives of the Convention.

The role of the Bureau in these endeavors is not to implement projects but rather to stimulate, advice or initiate processes either with its traditional partners (IUCN, WWF, BirdLife, Wetlands International) or with new partners (UNCTAD-Biotrade, NGOs in developing countries, River Basin Authorities, etc.). It is also to show Contracting Parties that the Convention is not only putting demands on them (reporting, etc.) but can also provide useful services to help them make the Convention better known and respected in their respective countries.

The Ramsar Convention and the promotion of sustainable financial mechanisms for wetland conservation

Today, nature conservation and natural resources management in developing countries is still very much relying upon donor money through project funding. This is obviously not sustainable. The new sector approach (swap policy) is important in terms of the ownership feeling for international cooperation but does not solve the financial sustainability problem.

Because ecosystem services in general, and wetland services in particular (watershed protection, climate regulation, food production, flood control), provided by intact natural areas are undervalued and fall largely outside formal markets, local and sustainable funding sources are often non-existent.

Unless we manage to generate long-term and sustainable funding for nature conservation and wise use schemes, it is unlikely that the Convention's effort will pay off in the future.

Fortunately, in recent years, governments, public agencies and NGOs have increasingly recognised the need to develop sustainable finance mechanisms for these areas of work. Some NGOs pioneered in promoting mechanisms like conservation trust funds, user fee-based tourism, debt-for-nature swaps, natural resources extraction fees, biodiversity rights,

etc. Less fortunately, these efforts have not yet achieved the scale of impact required to meet the global conservation and sustainable use funding challenge. Enhanced collaboration is needed to share information more systematically, pool expertise and resources, and combine forces.

Well aware of this situation and of the need for stronger action in this field, the Ramsar Bureau, jointly with 19 other institutions, participated in a Conservation Finance Retreat held in February 2002 in Harbortowne (USA). Several participants in this meeting, including the Ramsar Bureau, decided to create a Conservation Finance Alliance (CFA) “to catalyse increased and sustainable public and private financing for biodiversity conservation to support the effective implementation of Multilateral Environment Agreements, e.g. the Ramsar Convention, the CBD, etc.”. The Ramsar Bureau was the first to sign the adhesion document to the CFA whose statement of purpose is to “accelerate the delivery of conservation finance solutions by collaborating in areas where working together is more effective than working alone”.

The Alliance is intended to become an active (as opposed to a loose) network of institutions and experts with a clear workplan and deadlines for its implementation. The workplan has three main components: (1) Informing and engaging key constituencies; (2) Training and technical assistance; and (3) Mobilising financial resources. (For more info, visit www.conservationfinance.org.) In this work, the Ramsar Bureau is closely collaborating with several NGOs, including The Nature Conservancy, Conservation International, the Wildlife Conservation Society, WWF-US, and WWF-International, and with the World Bank.

Since the beginning of this programme, the Ramsar Bureau has been very active in participating in the First African Conference on Environmental Funds held in Lake Manyara (Tanzania) in April 2002. The Bureau is also helping the Comoros to prepare a GEF/UNDP environmental fund proposal for the management of the island’s protected areas, including the newly-created marine Ramsar site.

The Bureau is negotiating with the Indonesian office of the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) and DFID toward the organisation in early 2003 of a Regional Conference of the Association of South-East Asian Nations (ASEAN) on environmental funds and sustainable conservation finance mechanisms. Discussion are also underway with the Peruvian environmental fund PROFONANPE to create a funding mechanism for the management of the recently created 3.7 million-hectare Ramsar site of the Complejo de Humedales del Abanico del Río Pastaza. Funds would initially come from a debt-for-nature swap between Peru and Germany.

Finally, the Ramsar Bureau is actively involved in the drafting of the CFA conservation finance guide, especially the chapter dedicated to traditional bilateral and EU funding and the chapter dedicated to the economic instruments for environmental management.

The Ramsar Convention and the promotion of efficient wetland conservation incentives and removal of disincentives

Because of an increasing demand for information and technical support in the field of incentives and disincentives for wetland conservation and wise use, the Ramsar Bureau has decided to be more active in this field.

The Ramsar Scientific and Technical Review Panel (STRP) created an expert Working Group on Incentives as part of its Work Plan 2000-2002, but unfortunately for a number of reasons the Working Group was not able to make significant progress on this topic. The Bureau is now assuming responsibility for this issue dealing with all kinds of incentives, including those related to cultural, economic, social, financial, environmental and religious aspects.

The Bureau has decided to establish, at least until Ramsar COP8 in November 2002, a small, rather informal network of people from different parts of the world interested in working on incentives for wetland conservation and wise use. Subject to the COP decisions and whatever further work on incentives they will call for, including by the STRP, a decision will then be made on how best to formalise this network into an official Ramsar Working Group, possibly within the STRP framework. Until that time, the Ramsar Bureau will coordinate the work of this network.

So far, about 70 experts from all over the world have joined the network and expressed their keen interest in collaborating with the Bureau.

The Bureau intends to do some modest but real work and has therefore prepared the following workplan for the coming months:

1. Gather interesting papers on incentives/disincentives that directly or indirectly could be used for wetland conservation and wise use, and post them on a dedicated section of the Ramsar's Web site.
2. Promote the exchange of views and ideas on interesting experiences with wetland-related incentives/disincentives worldwide.
3. As a next step, it might be appropriate to edit and publish some of these experiences in a Ramsar publication on incentives.
4. At a later stage, it may be useful to develop Ramsar guidelines on incentives. These could formally form part of the work programme for the STRP in the 2003-2005.

The Ramsar Convention Bureau's support to Contracting Parties in their fundraising efforts and through the strengthening/effective capitalisation of the Ramsar Small Grants Fund (SGF)

The international development/environment agencies and funds recognise that many of the project ideas they receive are good and might qualify for funding, but the proposals often fail to demonstrate how they fit into the broader development context of their country or institution. Unfortunately, the agencies also complain that too often, the content and/or the form of the project proposals they are receiving are quite poor, and many projects have to be turned down for technical reasons. The same is true the project proposals submitted to the Ramsar Small Grants Fund.

The Bureau has therefore published clear and user-friendly guidelines on how to identify, prepare and draft project proposals. These guidelines have been translated into the three Ramsar official languages and distributed to all Contracting Parties and to many NGOs and

partners. They are also available in the Convention's Web site at http://ramsar.org/key_sgf_index.htm

The guidelines concentrate on three important elements of the project cycle: (I) setting a project in its broader context; (II) improving the content of a project; and (III) improving the format of a project proposal. They also explain the importance of the Logical Framework Analysis (IV) and its use (V). Finally, they give a standard format for a project (VI) and for a workshop (VII).

The Ramsar Bureau regularly receives project proposals or project documents for review or "quality control" and often provides advice to Contracting Parties or partners on how to improve the quality of the document and how to direct them to potential funding institutions.

The Bureau prepared an extensive OECD/DAC bilateral and EU donor profiles guide for the use of its Contracting Parties and partners.

The Bureau has also taken the lead in preparing two major project proposals that were submitted to the European Commission: (1) a 4 million euros project to support the implementation of the Ramsar Convention in 15 African countries, to be implemented by Wetlands International; and (2) a 1 million euros proposal to support the implementation of the Ramsar Convention in three North African countries.

The Ramsar Small Grants Fund was established by the Conference of the Parties (COP) in 1990. It was created as a mechanism to assist developing countries in implementing the Convention. At its 6th meeting in 1996, the Ramsar COP, through resolution VI.6, adopted the current name of the Fund and decided that countries with economies in transition should also be eligible for funding. As it is today, the SGF provides financing for small projects up to a maximum amount of SFr. 40,000.

The Ramsar COPs 5, 6 and 7 established and reiterated a target of US\$ 1 million to be distributed amongst the different regions of the Convention. This target has never been reached and the availability of funds varies considerably from year to year.

The Ramsar Bureau has prepared an in-depth analysis of the probable reasons why the SGF has never attracted sufficient funding and has proposed solutions to the Standing Committee. A proposal to establish an Endowment Fund to resource the SGF has been prepared for discussion at the next Conference of the Parties in November 2002.

In the meantime, the Bureau is approaching traditional bi-lateral and potential private sector donors to donate funds for the SGF.