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**EXPRESSION OF CONCERN ON THE DRAFT REGULATIONS
FOR THE DOMESTIC TRADE IN RHINOCEROS HORN OR A PART,
PRODUCT OR DERIVATIVE OF RHINOCEROS HORN**
proposed by Respected Honorable Minister Boom Edith Edna Molewa,
Minister of Environmental Affairs, Republic of South Africa, 8 February 2017

9 March 2017

The International Rhino Foundation (IRF) is a US-based non-profit organization dedicated to ensuring the survival of the five living species of rhinoceros through conservation and research. IRF funds and operates programs in Africa and Asia, concentrating on the rhinoceros species most in need of, and most appropriate for, intensive protection and management. (www.rhinos.org)

OBJECTION TO PROVISIONS IN THE DRAFT REGULATIONS

The International Rhino Foundation (IRF) respects and applauds all rhinoceros range states' efforts to manage their own natural resources, which includes maintaining healthy rhino populations as well as raising money for the important work of protecting and conserving these assets. We are deeply cognizant that wildlife-based land use in Africa requires substantial funding to meet associated conservation costs. Many countries like the Republic of South Africa rely on legal hunts, with permits allocated by CITES, to fund much of the rhino protection efforts in key landscapes. We believe that there is an urgent need to explore many economic options to protect endangered species, while also recognizing that the challenges associated with land-use and wildlife conservation issues are real and must be seriously considered.

The IRF recognizes that the challenges faced by the Republic of South Africa's Department of Environmental Affairs (DEA) are enormous and complex. We appreciate and respect the integrity of the comprehensive process undertaken by the South African Committee of Inquiry to examine the viability of legalizing international commercial trade of rhino horn in advance of the CITES Conference of the Parties 17 (CoP17). However, there is insufficient evidence demonstrating that the necessary conditions with respect to governance in the Republic of South Africa have, to-date, changed significantly enough to ignore the Committee's recommendation against trade. Additionally, the Draft Regulations seem premature as effectiveness of governance processes proposed in the Republic's National Integrated Strategy on Combatting Wildlife Crime have not yet been fully demonstrated.

We also believe that the Draft Regulations, which are now provoking an international response, and following close on the rejection of Proposal 7 to the CITES CoP17 to amend the annotation to the Appendix II listing of Swaziland's southern white rhinoceros population so as to permit a limited and regulated trade in white rhino horn collected from natural deaths, recovered from poached Swazi horn, and harvested from live white rhino in the future, could well result in wildlife trade controls by countries that rejected the pro-trade resolution - including potential restrictions on the imports of hunting trophies (especially rhino trophies) by those countries. The loss of revenue for rhino conservation in the Republic of South Africa could easily exceed whatever gains are envisioned from internal trade and from the allowance

of horn exports for "personal use", the ultimate outcome of which could easily be claimed to "personal consumption" but actually results in horn sales.

Implementing the Draft Regulations also would require that appropriate laws and regulations be in place and functioning in potential importing countries. It is unclear as to how adoption of appropriate laws would be demonstrated and how capacity to enforce these laws would be demonstrated, and in what timeframe, at an internationally acceptable level.

The IRF believes that legalizing any trade in rhino horn at this juncture has a very high probability of having a detrimental impact on all five rhino species in the wild. Legal trade should not be considered until there are convincing data indicating that legalization will enhance conservation efforts for wild rhinoceros populations around the globe, particularly the critically endangered Sumatran and Javan rhinoceros, both of which number fewer than 100 individuals.

PERCEIVED NATIONAL ISSUES

Rhino Poaching Statistics. Rhino poaching statistics released on 27 February 2017 by the DEA show that there has been a slight decrease in the number of rhinos poached in the Republic over the past 2 years. However, it may be overoptimistic to assume that the trend will continue to decline. Criminal networks still are killing approximately three rhinos per day.

The successful security efforts leading to the decrease in poaching and increase in arrests in Kruger National Park are commendable. However, as Kruger National Park's security has tightened, poachers are moving to other areas within the Republic, such as KwaZulu-Natal, where rhino poaching increased 38 percent since 2015. There also has been spillover into neighboring countries such as Namibia and Zimbabwe, which lost 80 and 50 rhinos respectively in 2015.

Additionally, we call particular attention to the upsurge in rhino poaching in neighboring Zimbabwe that began in 2003, concurrent with the emergence of Vietnamese "sport hunters" in the Republic's white rhino hunting industry. Poaching did not only begin in 2008 when the Republic's moratorium was put in place. Horns poached in Zimbabwe were fed into the Republic of South Africa's trade prior to that time. Between 2003 and 2008, poachers targeted at-risk populations in Zimbabwe. After successful strategic interventions were implemented, criminal networks switched to vulnerable South African rhino populations.

Previous Sales. Many experts believe that the CITES-approved one-off sale of excess elephant ivory in 2008, designed to reduce demand, may have unintentionally sparked the current demand for ivory, contributing to the current crisis and the deaths of 30,000 African elephants per year. This is critical information to consider when discussing legalizing either domestic or international rhinoceros horn trade.

Given the disastrous effects of the one-off ivory sale, we note that questions around the potential market dynamics also are unclear, and that the very real potential looms that legalizing horn trade could exacerbate the current rhino poaching crisis.

Financial Costs vs. Financial Gains. The IRF urges the Republic of South Africa to weigh the supposed financial gains from legalizing horn trade against the potential costs, which outstrip potential benefits in three main ways:

- First, an assessment of key Asian consumer markets strongly suggests that total demand would not be satisfied by natural mortalities, current and future stockpiles or farmed horn under current conditions for all of the potential major supply countries. This would only be worsened in the case of South Africa even though its stock and potential stock represent a large percentage of the current total market and the total

rhino population. More importantly, the desire to satisfy such a wide demand gap would likely raise the incentive for others to enter trade, legal and illegal, on the supply side.

- Second, experts have also found that the awareness of the illegal status of rhino horn trade is dampening purchasing behavior so legalization could remove this dampening effect while additionally causing new interest on the demand side.
- And third, legal markets often provide cover for illegal markets, even in well-regulated markets, such as the U.S. and China, as shown in various reports. The laundering of illegal product into legal markets also raises costs of enforcement.

Legal and Enforcement Implications. Under CITES, to which the Republic of South Africa is a signatory, commercial international trade in rhino horn is prohibited. Since it would appear that there is extremely limited demand for horn within the Republic, it is difficult to understand why domestic trade would be proposed/permitted.

Lifting the moratorium and allowing international exports would likely expand illegal movement of horn and place tremendous pressure on law enforcement. For example, how can already overburdened and under-equipped law enforcement personnel distinguish between legal and illegal horn in the domestic market? Anyone carrying horn could claim it is legal and that they have simply misplaced their permit. It is unlikely that the Republic's legal system, with its existing case backlog, would have many options except releasing the suspect on bail to await presentation of the correct paperwork and DNA testing, rather than being held in custody for rhino poaching as is currently the case. A related question is whether RhoDIS has capacity and is sufficiently funded to respond to the increased needs generated if the moratorium were lifted.

What new challenges would permitting personnel face in trying to concurrently manage parallel legal and illegal trade and exports?

The argument that horn sales would generate extra revenue for improved law enforcement would not appear to be well thought-through, as most of the income will go to private rhino farmers but it will be the Government that will have to fund regulation and enforcement. In reality, horn trade is likely to result in additional costs to Government.

Reinforcing vs., Meeting Demand. We question whether the purpose of legalizing trade is to reduce demand or to try to meet demand. It seems unlikely that a legal trade in rhino horn from one country, even with large stockpiles, could meet the accelerating demand in Asian consumer markets.

Another critical point is that allowing export of horn for personal use implicitly lends credibility to the idea that rhino horn has medicinal value, which is not supported by sound science. There also appears to be a contradiction between the concept of commercial and personal use within the Republic of South Africa and/or internationally.

Other Questions. Following the review of the Draft Regulations, a number of questions remain, including but not limited to:

- Does DEA assume that two horns would be from the same animal?
- Would permitting include one import of two horns or would it allow for two horns over a period of time?
- What does lifting the ban mean for ability of citizens from other countries living in the Republic of South Africa to purchase or export horn? What measures would be in place should they wish to transport them elsewhere?
- Is there a mechanism proposed that could link funds generated by rhino horn trade to benefit wild populations of rhinos as well as local communities living alongside them?

EFFECT ON ASIAN RHINO POPULATIONS

In 2013, the Republic of Indonesia hosted the Asian rhino range States of Bhutan, India, Indonesia, Malaysia and Nepal, in Bandar Lampung for the first-ever Asian Rhino Range States Meeting that resulted in the Bandar Lampung Declaration. In the jointly agreed Declaration, Asian rhino range States agreed that *“The CITES ban in the international trade of all rhino products needs to be maintained and enforced, including by those countries where rhino products are used, any countries that act as intermediate points in the trade, and all rhino range States.”*

We urge the Republic of South Africa not only to take its neighboring African rhino range states into consideration. We also wish to reinforce the fact that three of the five rhino species live outside of Africa. The sovereign states of India, Nepal and Indonesia in particular also understand the financial pressures faced by range states - governments and private wildlife owners alike - in protecting and conserving rhino species in light of increased security and enforcement costs related to poaching and illegal trade.

Although there is no absolute way to predict what the unintended consequences of legalizing horn trade might be for tiny populations of rhinos in Asia, already teetering on the brink of extinction, Asian rhino range states agree that opening up trade would likely lead to the decimation of Greater one-horned (3,500 animals remaining), Sumatran (fewer than 100 left), and Javan (no more than 63 remaining) rhino populations as demand for rhino horn increases beyond current levels.

Therefore, we urge the Republic of South Africa to consider the grave effects resulting from the Draft Regulations that are possible in all the other rhino range states, particularly Indonesia, which holds two critically endangered rhino species both numbering fewer than 100 individuals.

CONCLUSION

All parties agree that maintaining self-sustaining, viable populations of rhinos in the wild is the ideal state. The international conservation community fully recognizes and applauds the Republic of South Africa’s vision that was responsible for the recovery of the white rhino from tiny numbers to roughly 20,000 today.

There is no one-size-fits-all solution that will solve the rhino-poaching crisis: legalizing trade on its own will not work; nor will anti-poaching patrols be sufficient unless there also is a reduction in demand for horn in Asian markets. At this moment in time, there is not enough information available to determine whether legalizing horn trade will exacerbate the current poaching crisis. We urge the Republic of South Africa to honor the recommendations of its Committee of Inquiry against rhino horn trade as governance conditions have not changed significantly enough to merit legal trade at this time, nor have critical legislative and governance measures been identified for potential countries of import.

The IRF urges stronger international cooperation to doggedly pursue the criminals driving wildlife crime. We also encourage all governments to stringently enforce their own laws, vigorously prosecuting the criminal networks driving rhino horn use and trafficking. We urge all governments to honor their commitments under CITES until it can be demonstrated that effective laws, governance, and monitoring measures are in place in countries of export as well as in potential importing countries, and that legalization of trade in rhinoceros horn will enhance conservation efforts for wild populations around the globe.