The DEA Committee of Inquiry to deliberate on matters relating to a possible trade of Rhino Horn.
Johannesburg, South Africa – 27th March 2015
Rhino horn trade: End use markets then..

The rhino horn trade crisis of the 1970s to the mid-1990s was mostly driven by demand in Japan, Korea, Taiwan, China for traditional medicine or in Yemen for carving dagger handles. Demand reduction has successfully eliminated these trades today. The current crisis is a new dynamic.
Viet Nam

Viet Nam emerged as the world’s leading rhino horn consumer since 2005, but introduced new uses for rhino horn as a symbol of wealth and status. Use as traditional medicine has waned.

Research in China, especially southern China, indicates some degree of trade similar to what is being observed in Viet Nam.
The South Africa – Viet Nam Rhino Horn Trade Nexus:
A deadly combination of institutional lapses, corrupt wildlife industry professionals and Asian crime syndicates

This 2012 report comprehensively examined the rhino horn trade between South Africa and Viet Nam.

Since then the situation has gotten worse with little government progress on many fronts, further erosion of ethics in the wildlife industry, and expansion and consolidation of the criminal syndicates behind the trade.
Recommendations for South Africa

• The implementation of a **secure, national, electronic permit system** for all activities related to threatened and protected species, specifically rhinos
• The mandatory **registration, marking and DNA** sampling of all legally-owned or -held rhino horn stocks
• The importance of developing and implementing **bilateral treaties** to promote collaborative law enforcement action
• The necessity of ensuring that **appropriate penalties** that serve as a deterrent are given to those convicted of rhino crimes
• The need to tighten law-enforcement activities at all **ports of entry and exit** from South Africa to better detect the illegal movement of rhino horn
• The importance of effective **monitoring and regulation** of sport hunting of rhinos
• The requirement for better **regulation of professionals** within the wildlife industry
Recommendations for Viet Nam

• The need for **strong political will** to make rhino horn crime a national priority
• The importance of employing effective **law enforcement strategies** in the **market place**
• The commitment of **adequate financial and human resources**
• The value of ongoing **research and monitoring**
• The imperative of promoting **demand reduction**
• The need for clinical trials and peer review research on the medicinal properties of rhino horn to find **alternative substances**
Progress

• Each of these: if not fully implemented represents serious danger to current conservations efforts and terminally compromises any efforts to establish a formal legal trade.

• What follows is a review of progress made against a selection of these recommendations:
Political Will

The need for strong political will to make addressing rhino crime a non-negotiable, high-profile national priority.

As the epicentre of the current rhino crisis, South Africa conspicuously absent at:

- United Nations events to elevate wildlife crime to serious crime and a top-level concern at the international level in September 2013,
- the Botswana government/IUCN-convened African Elephant Summit in December 2013, or
- the London Conference on Illegal Wildlife Trade in February 2014

South Africa needs to demonstrate leadership and be a strong voice and driver for change.
The requirement to address capacity and resource constraints affecting South Africa’s conservation authorities at national, provincial and site levels:

While the situation in South Africa’s protected areas remains serious, as enforcement effort increases so poaching surges on private land, placing an impossible financial burden on private rhino owners including those involved in non consumptive eco-tourism. Unable to pay for expensive anti-poaching measures rhinos are sold and this undermines the lucrative eco-tourism business, a valuable source of income to the country. South Africa continues to fail its private owners i.t.o law enforcement capacity and resources. 

Ironically the source of many illegal horns to date has been from poorly documented private horn stockpiles and the continuing poor management will simply continue to undermine conservation efforts and any attempt to legalise trade.
Integrated Permit System

Secure, national, electronic permit system for all activities related to threatened and protected species, specifically rhinos.

Since the 1996 report “South Africa’s Wildlife Trade at the Crossroads”, TRAFFIC has urged the Department of Environmental Affairs to develop a national, integrated, electronic permitting system to authorize trade and monitor restricted activities related to threatened and protected species.

- In 2000, such a system was developed by a DANIDA-funded project but never implemented. Why?
- This issue has remained unresolved for decades and is a serious blemish on South Africa's administration of CITES.
DEA remains derelict in fulfilling this critical need despite repeated promises and constructive contributions by organisations such as TRAFFIC.

Understanding South Africa’s wildlife trade remains clouded by delays, abuse and miscommunication within the current permitting structure, providing loopholes and opportunities for illegal trade or unintended activities for many species and wildlife products to proliferate.

South Africa must resolve this serious deficiency as a matter of urgency and demonstrate that an effective system is at hand as a prerequisite before any consideration of a legal trade in rhino horn.
The importance of effective monitoring and regulation of sport hunting of rhinos:

Amendments to Norms and Standards for trophy hunting of White Rhinos: not effectively closed loopholes exploited in the past by those engaged in “pseudo-hunting”. The case of Czech hunters recruited by Vietnamese operatives to hunt rhino in South Africa for commercial trade purposes is a case in point.

Furthermore, it is of concern that the South African CITES Management Authority was unable to provide a full list of Czech hunters who were granted rhino hunting permits in South Africa nearly two years after first requested to assist the Czech government's investigation.

South Africa's hunting data remains obscure and unavailable clouding efforts to track developments in the hunting industry. Some sources have indicated that whilst Czech hunters are no longer used to hunt rhino in South Africa, individuals from other European countries have been recruited to take their place. The current pattern of rhino hunting remains highly suspect.
“South Africa doesn’t have very exact records (CITES permits and hunting licenses are issued by regional authorities and especially records from Limpopo province are not very accurate and definitely they are not complete).”

“Many of the hunters are quite suspicious and are likely to be involved in these illegal activities. There are many issued CITES export permits for rhino trophies but these horns have ended up in the Czech Republic operation. This event all
Mandatory registration, marking and DNA sampling

The mandatory registration, marking and DNA sampling of all legally-owned or -held rhino horn stocks.

Amended Norms and Standards legally mandate owners or custodians of rhino horn to mark, micro-chip, register and take DNA samples from any horns in their possession.

But the status of rhino horn possession in the private sector remains unknown with apparent discrepancies. This issue has been noted in the CITES reports prepared by TRAFFIC and IUCN.

- A robust rhino horn stock management system needs to be in place as a prerequisite before any consideration of a legal trade in rhino horn.
Illegal rhino horn trade: Industry insiders

Illegal sales of private sector rhino horn stocks fostered by poor stock management?

The status of South Africa’s privately-held horn stocks has never been adequately clarified and is believed to remain problematic.
Bi-lateral LE Treaties

The importance of developing and implementing bilateral treaties to promote collaborative law enforcement action.

South Africa has established a series of bilateral Memorandum of Understanding for law enforcement co-operation with Viet Nam and Mozambique, but are they being used effectively to support scaled-up law enforcement?

TRAFFIC remains concerned that these MoUs are only serving a political purpose and not being used in a meaningful way to support law enforcement, including the arrest and prosecution of individuals implicated in illegal rhino horn trading.

➢ South Africa must use these channels to secure arrests, support effective prosecutions or extradite transnational criminals implicated in rhino horn trade crime.
Why doesn’t collaborative law enforcement work?

• No understanding of how to do it;
• Lack of institutional support, resources and operational protocols;
• Thinking locally and not globally;
• National pride or embarrassment;
• Lack of trust with partners;
• Issues of corruption; and
• Fear of where the investigation may lead, what the repercussions may be.
• No investigative leadership along the entire trade chain; who takes charge.
Deterrent Penalties

The necessity of ensuring that appropriate penalties that serve as a deterrent are given to those convicted of rhino crimes.

South Africa has issued some of the most stringent sentences for illegal trafficking in rhino horn, for example the 30-year sentence meted out to Chumlong Lemthongthai from Thailand.

But subsequent court actions have reduced these penalties considerably. It is not clear why this has happened and it sends a message that South Africa is 'pulling back' on penalties for wildlife trade crime at a time when the rest of the world is moving in the opposite direction. Why?

Continuing discrepancies in the issuance of bail to those charged with serious rhino crime also remains an issue of concern.
Legal Access to Permits

The importance of denying those charged with outstanding rhino crime cases continued legal access to permits for restricted activities with TOPS species, especially where rhinos are concerned:

Several notorious members of the game ranching industry currently awaiting trial for rhino crimes remain out on bail and continue to receive permits to buy, sell, hunt and dehorn rhinos, despite being accused of involvement in illegal activities associated with these very actions.

Constitutional issues of "innocent until proven guilty" are valid, but legal precedents in South Africa could change status quo.

**Armed Robbery:** Offenders can be denied permits for purchase of a guns;  
**Driving under the influence:** Offenders can have license renewal blocked; and  
**Teachers charged with sex offences** involving minors can be denied teaching opportunities until a final verdict is rendered.

South Africa needs to Investigate these precedents into rhino crime.
The imperative of improving scene of crime investigative capacity and intelligence gathering and analysis:

South Africa - large numbers of arrests, but few higher-level players "middlemen" or "kingpins" are apprehended.

Language barriers: Documents, cell phones and computers seized in conjunction with rhino horn crime and in Chinese or Vietnamese is typically never analysed as a proactive part of the investigation. It is believed that much valuable and relevant information is lost through the lack of capacity to work in foreign languages.

South Africa must improve its technical investigative skills
The requirement for better regulation of professionals within the wildlife industry:

This issue remains unresolved with many wildlife professionals, including professional hunters, hunting outfitters, wildlife veterinarians and game capture operators, arrested in conjunction with rhino crime still operating within the industry. So far self-regulating private sector structures have been insufficient to prevent unethical practices. There may also be a critical need for tighter controls on access to scheduled veterinary medicines to prevent their use in criminal activities.

South Africa needs to resolve unethical conduct or it will continue to undermine legal rhino conservation activities.
Illegal rhino horn trade: ‘Pseudo hunting’

A resolved issue? ‘Pseudo hunting’ has gone from Vietnamese … to Thai prostitutes … to Czech Republic hunters … to where? Rumours indicate Ukraine and Poland??

Rhino sport hunting applications, South Africa, 2010-2012
Illegal rhino horn trade: ‘Pseudo hunting’

- Current hunting permit data is not available and a transparent means to track rhino hunting developments is not at hand.
- We don’t need nominal information but the nationality of the hunters being issued permits is often all that is required to understand questionable shifts in hunting patterns.
- South Africa is still not effectively policing the issuance of hunting permits and the export of hunting trophies.
- We hear reports that, for example, North West province, has not issued any hunting permits in recent years but wonder if that is true or failure to report to the central government?
The need for an objective and strategic approach to assess the long-term outcomes of any future interventions in relation to global rhino conservation objectives and trade.

The key argument behind legalised trade is that it will reduce poaching pressure on rhinos by meeting demand now being serviced with the horns from poached animals. Unfortunately, that is not a guaranteed outcome, especially as we do not clearly understand the fundamentals of current demand, including the role of speculation and stockpiling in the trade.

- Because of these knowledge gaps, great caution needs to be exercised in any legal trade scenario.
There are many examples where legal and illegal trades end up co-existing in parallel without reducing illegal off-take for the affected species:

- South Africa’s abalone trade is a classic example, with illegal harvest swamping the legal quota system to the point of collapse of the wild resource.
- Thailand’s legal crocodile leather trade from ranched or farmed animals has not safeguarded the existence of the now virtually extinct Siamese crocodile in the wild.

- Caution: If those who sell to consumers have access to both legal and illegal sources, manipulation of supply and price to their benefit, not the resource, is possible.
Lawful trade presupposes an agreed trading system under which producers and consumers, regulatory roles and responsibilities, legal do’s and don’t’s, and mechanisms for monitoring compliance, transparency and accountability must all be clearly delineated.

The discussion presently remains in the abstract and rooted in theory. Fundamental considerations -- like the control framework, the process for identifying legitimate stakeholders, or the means for preventing rhino horns from illegal sources infiltrating the legal market -- remain unarticulated.

TRAFFIC reserves judgement until a full proposal is at hand, but strongly believes that the legal control environment in South Africa remains unacceptably inadequate at the present time.
TRAFFIC thanks you