

## Closure of Domestic Rhino Horn Markets that Contribute to Poaching or Illegal Trade and Rhino Horn DNA Forensic Analysis

Briefing Document for Delegates to CITES Standing Committee 74 (Lyon, March 2022)

### Overview

South Africa is home to the majority of the world's white and black rhinos and maintains an active, legal domestic rhino horn market.

Domestic markets for high-value products from threatened wildlife stimulate demand, complicate enforcement, present laundering opportunities, and can further contribute to illegal trade. South Africa's rhino horn market is no exception, and recent rhino horn seizures demonstrate how this market is contributing to domestic and international illegal trade.

There are also indications that rhino horn seizures made in transit and consumer countries contain rhino horn derived from stockpiles, but no information on any DNA analysis that may have been conducted has been made public. Forensic DNA analysis can confirm the origin of the horns and provide critical information to inform intelligence-led investigations into transnational organized criminal networks.

Despite the evidence of illegal trade linked to South Africa's rhino horn market, South Africa did not submit any information to the Secretariat on its implementation of Decision 18.116, which calls for the closure of rhino horn markets that contribute to poaching or illegal trade and the development of demand reduction programs. The only Party that supplied information was Viet Nam, which included details on demand reduction in its NIRAP report.

EIA urges SC74 to: 1) recommend that CoP19 renew Decision 18.116 and amend the decision to include a requirement for relevant Parties to report on actions taken to implement the decision in time for consideration by SC77; 2) direct South Africa to provide information to SC75 on how it utilizes rhino horn DNA samples received from other Parties to support intelligence-led investigations; and 3) recommend that CoP19 adopt a decision to reconvene the CITES Rhinoceros Enforcement Task Force in 2023 to improve international collaboration on addressing rhino poaching and rhino horn trafficking

#### **Decision 18.116 Directed to Parties:**

*Parties in which illegal markets for rhinoceros horn exist are encouraged to develop demand reduction programmes targeted at key identified audiences, taking into consideration the provisions in Resolution Conf. 17.4 on Demand reduction strategies to combat illegal trade in CITES-listed species and taking advantage of the experience and expertise developed in other jurisdictions and by other organizations. Parties are urged to close those markets that contribute to poaching or illegal trade.*

### Analysis

#### South Africa Domestic Rhino Horn Market Overview

- Between April 2017 and July 2019, South Africa's Department of Forestry, Fisheries and the Environment (DFFE; formerly the Department of Environmental Affairs (DEA) and Department of Environment, Forestry, and Fisheries (DEFF)) granted permits for the sale of 2,075 rhino horns.<sup>1</sup> This was the last time the government publicly disclosed rhino horn trade permit figures.
- More than half of South Africa's rhinos are privately owned, and these private rhino owners have amassed significant stockpiles of rhino horn. As of August 2019 there were an estimated 22.5 tonnes of rhino horn kept in private stockpiles throughout the country according to DFFE.<sup>2</sup>

<sup>1</sup> [https://www.environment.gov.za/mediarelease/barbaracreecy\\_rhinopoaching\\_sixmonthreportback\\_july2019](https://www.environment.gov.za/mediarelease/barbaracreecy_rhinopoaching_sixmonthreportback_july2019)

<sup>2</sup> [https://emsfoundation.org.za/wp-content/uploads/Ivory-Rhino-Stockpiles-Lion-bones\\_DEA-Response-with-Affidavit\\_Jul-2019.pdf](https://emsfoundation.org.za/wp-content/uploads/Ivory-Rhino-Stockpiles-Lion-bones_DEA-Response-with-Affidavit_Jul-2019.pdf)

- Rhino horns collected via the dehorning of privately-owned rhinos combined with those from natural mortalities means the total weight of private rhino horn stockpiles is significantly greater today.
- In June 2020, more than three years after the moratorium was overturned, DFFE circulated finalized national rhino horn trade regulations.<sup>3</sup> A key provision of the regulations prohibits the production and trade of small rhino horn pieces (<5cm in length) and powder; however, it is only applicable for three years at which point the provision will be reassessed. There is no way to effectively ensure legality and traceability of rhino horn powder and small pieces of rhino horn, and this prohibition should be permanent.
- In 2014, DFFE conducted an analysis on the viability of legalizing domestic rhino horn trade, which ultimately recommended leaving the moratorium intact.<sup>4</sup> DFFE justified its recommendation by noting that the mechanisms for controlling a legal trade in South Africa were not in place, that the amount of rhino horn in privately owned stockpiles was unknown, and that some private rhino owners were noncompliant with permitting regulations.



RhODIS certificate for rhino horn offered for sale on South Africa's domestic market

- DFFE concluded that these factors would lead to laundering of illegal horn into stockpiles and trafficking rhino horn abroad if the domestic trade moratorium were lifted. Only after these issues were rectified, and after a “secure, national electronic permitting system and rhino database” was established and utilized by all private rhino owners to disclose the exact contents of their rhino horn stockpiles, would the DFFE consider lifting the domestic trade moratorium and consider offering a legal trade proposal at CITES.<sup>5</sup>
- The issues identified in the viability analysis have not been addressed in the nearly five years since domestic rhino horn trade was reinstated in South Africa in 2017. No nationwide electronic permitting system has been implemented, there is a backlog for RhODIS DNA analysis requests, and obtaining an accurate estimate of the total amount of rhino horn kept in private stockpiles is a perpetual challenge.

### South Africa's Rhino Horn Market Contributes to Illegal Trade

- South Africa's domestic rhino horn market is contributing to the illegal international rhino horn trade. In April 2019, 181 horns sourced from a private stockpile were seized by the South African Police Service (SAPS), which acted off a tip.<sup>6</sup> According to SAPS, the horns were destined for Southeast Asia.<sup>7</sup>
- The two men transporting the horns were charged with violating the terms of rhino horn transportation permits and for forging documents used in the foiled trade transaction. While the

<sup>3</sup> [https://www.environment.gov.za/mediarelease/rhinohorn\\_restrictedactivities\\_gazetted](https://www.environment.gov.za/mediarelease/rhinohorn_restrictedactivities_gazetted)

<sup>4</sup> [https://www.environment.gov.za/sites/default/files/docs/rhinohorntrade\\_southafrica\\_legalisingreport.pdf](https://www.environment.gov.za/sites/default/files/docs/rhinohorntrade_southafrica_legalisingreport.pdf)

<sup>5</sup> Id.

<sup>6</sup> <https://www.dailymaverick.co.za/article/2020-06-14-i-want-my-horns-back-says-sa-rhino-baron-after-trade-deal-goes-pear-shaped/#gsc.tab=0>

<sup>7</sup> <https://www.saps.gov.za/newsroom/mssspeechdetail.php?nid=20103>

two individuals could have faced up to five years in prison, they instead received small fines totaling about \$1,500 and \$3,000, respectively.<sup>8</sup>

- The individual listed as the buyer of the horns on the permits later admitted that he “had no intention of buying the horns” and agreed for his name to be used on the permits in exchange for money. There have been no additional arrests in this case to date.<sup>9</sup>
- There have been other cases demonstrating how South Africa’s legal domestic rhino horn markets contributing to the illegal trade, and in June 2020 a DFFE spokesperson confirmed that additional investigations into illegal activities associated with the domestic trade are ongoing.<sup>10</sup>
- Private rhino horn stockpile owners in South Africa have also sought to market their horn to potential foreign consumers – despite the continued illegality of commercial rhino horn exports from South Africa – by highlighting the investment potential of rhino horn and encouraging carving raw horn into worked products such as jewelry to increase its value.<sup>11</sup>
- The 2020 UNODC World Wildlife Crime Report concluded that “it is too soon to confirm a decline in the rhino horn market” and posited that rhino horn derived from stockpiles may be increasingly comprise global rhino horn seizures.<sup>12</sup>

#### Forensic DNA Analysis and Its Application to Address Transnational Rhino Horn Trafficking

- Forensic DNA analysis of seized rhino horn can be a powerful enforcement tool for investigating and prosecuting rhino horn trafficking crimes, and CITES has been advocating for increased rhino horn DNA forensic analysis and sharing of samples for years.
- Implementing the systematic collection of DNA samples from seized rhino horn and the sharing of samples with relevant countries continues to be a challenge for CITES Parties. South Africa reports that it does not receive timely reporting of seizures from other countries, takes up to six months for permits to be issued for DNA sample sharing, and that it is difficult to exchange information with investigation teams with other countries.<sup>13</sup>
- Despite these challenges, South Africa has received rhino horn DNA samples from a number of countries in Africa, Asia, and Europe.<sup>14</sup> However, it is unclear how these samples are used to inform and advance intelligence-led investigations into organized rhino horn trafficking networks.
- These DNA samples could also provide valuable data on the provenance of the seized horn to allow governments, law enforcement, and other relevant stakeholder to better understand the dynamic nature of international rhino horn trafficking. For instance, these samples could provide valuable data on whether horns are coming from state-run protected areas or private land, whether they came from poached rhinos or stockpiled horn, and if it is stockpiled horn, whether it the stockpile was privately-owned or government-managed.
- The Rhino DNA Indexing System in South Africa (RhODIS) is the world’s largest rhino DNA database and is an invaluable tool for analyzing rhino horn seizure samples to produce intelligence and evidence for investigations and prosecutions. In 2019, the South African Police

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<sup>8</sup> <https://www.dailymaverick.co.za/article/2020-06-14-i-want-my-horns-back-says-sa-rhino-baron-after-trade-deal-goes-pear-shaped/#gsc.tab=0>

<sup>9</sup> <https://www.iol.co.za/pretoria-news/news/breeder-fails-to-get-back-181-confiscated-rhino-horns-worth-r10-million-1fbdcfce-e764-4f55-937c-a63e4338393f>

<sup>10</sup> <https://www.iol.co.za/saturday-star/news/controversial-rhino-breeder-temporarily-calls-off-court-action-to-recover-rhino-horns-seized-by-law-enforcement-officials-49783964>

<sup>11</sup> <https://www.pressreader.com/south-africa/the-independent-on-saturday/20180602/281552291542553>

<sup>12</sup> SC74 Inf. 7

<sup>13</sup> SC74 Doc. 37 Annex 3

<sup>14</sup> SC70 Doc. 56 Annex 14

Service reportedly terminated its partnership with RhODIS.<sup>15</sup> It is unclear why the partnership was discontinued, and this calls into question South Africa's ability to effectively analyze rhino horn DNA samples it receives from other Parties. EIA encourages South Africa to share more details about this troubling development.

## Conclusion

CITES banned international commercial trade in rhino horn in 1977, yet domestic commercial rhino horn markets persisted for decades thereafter. These markets facilitated the consumer demand that drove unrelenting poaching and illegal, which in turn resulted in the catastrophic destruction of rhino populations across Africa and Asia.<sup>16</sup> As the world has witnessed with other domestic markets for high-value products from threatened wildlife like ivory, pangolins, and big cat parts and derivatives, the domestic trade stimulates demand, complicates enforcement, and further contributes to the illegal trade.

Today, domestic rhino horn markets like the one in South Africa continue to contribute to illegal trade while rhino poaching driven by consumer demand continues to take a devastating toll on wild rhino populations. It is crucial that CITES continues to call for, and provides oversight to ensure, the closure of rhino horn markets that contribute to poaching or illegal trade.

Forensic DNA analysis of rhino horn seizures is a powerful law enforcement tool, but it has not been utilized to its full potential to augment intelligence-led investigations into the international organized criminal networks controlling rhino horn trafficking globally. This is due in part to communication challenges between Parties that hampers expedient sharing of evidence and intelligence. In SC74 Doc. 37, the Secretariat references the CITES Rhinoceros Enforcement Task Force, convened in Nairobi in 2013, which brought together 52 representatives from 21 countries to develop enforcement strategies and actions that are still reaping benefits for rhinos today. Reconvening the Task Force would allow Parties affected by rhino poaching and illegal trade to restore old relationships and establish new ones, while providing a forum to improve existing enforcement strategies and develop fresh approaches to address today's challenges to preventing rhino poaching and rhino horn trafficking.

### EIA calls on SC74 to:

- **Recommend CoP19 renew and amend Decision 18.116 to include a requirement for Parties to report on implementation in time for review by SC77**
- **Direct South Africa to provide information to SC75 on how it utilizes rhino horn DNA samples received from other Parties to support joint, intelligence-led investigations, including how such samples contributed to successful prosecutions**
- **Recommend CoP19 adopt a decision to reconvene the CITES Rhinoceros Enforcement Task Force in 2023, 10 years after the last meeting of the Task Force, to improve international collaboration on addressing rhino poaching and rhino horn trafficking**

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<sup>15</sup> <https://www.iol.co.za/saturday-star/news/anti-poaching-tool-contract-not-renewed-38048872>

<sup>16</sup> <https://eia-global.org/reports/-close-domestic-rhino-horn-markets>