

## IVORY STOCKPILES THE CASE FOR NON-COMMERCIAL DISPOSAL

### Introduction

1. The ban on international trade in ivory has led to the stockpiling of naturally accrued and seized illegal ivory in elephant Range States, and other countries, since 1989. The 1989 ban provided no mechanism to deal with this ivory. Today, these nationally held stockpiles of both seized and accrued ivory are a major obstacle to international efforts to address the poaching of elephants and the illegal ivory trade.
2. Countries only have two options in relation to their stockpiles: 1) disposal (by way of sale or by non-commercial methods); or 2) indefinite storage.
3. Pursuant to CITES<sup>1</sup>, seized illegal ivory may not be sold. This is consistent with its status as an unlawful product, and with international norms to do with the disposal of seized contraband.
4. Since 1989, national stockpiles have grown huge. Although there is no clear audited statement of the amount of ivory held in stockpiles across the globe, the amounts can be estimated from past data, models of natural accrual from elephant populations and recent seizures. More accurate data should become available as countries complete and report annual inventories of their stocks, which CITES requires of them by 28 February each year<sup>2</sup>. Stop Ivory has developed an Inventory Protocol and bespoke Software using state of the art technology, to carry out the inventory of stockpiles. These will be published to assist Range States in managing their stockpiles and to meet this obligation.
5. There have been two CITES-approved 'one-off' sales: 1) in 1999, Botswana, Namibia and Zimbabwe sold nearly 50 tons of ivory to Japan at an average price of \$94/kg; 2) in 2008, Botswana, Namibia, Zimbabwe and South Africa sold 101 tons of ivory to Japan and China at an average price of \$157/kg.
6. The effects of those sales has been significant:
  - a. Fuelling calls for further one-off sales: The 1999 sale encouraged South Africa to continue to pursue its application for its elephant population to be downlisted to CITES Appendix II, in order that it could participate in the 2008 'one off' sale. Similarly, following the 2008 sale, Zambia and Tanzania applied to downlist in 2010 (when Tanzania also applied to sell 90 tons) and Tanzania then made and withdrew applications to downlist and sell over 100 tons in 2007 and 2012. The 2010 applications were rejected due to concerns

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<sup>1</sup> Text of the Convention: Article III 2(b), Article IV 2(b) and Article V 2(a).

<sup>2</sup> Resolution Conf. 10.10 (Rev. CoP16) Regarding Trade in Elephant Specimens

that both countries had not adequately combated poaching and addressed illegal trade.

- b. Stimulating demand in new markets: A progressively sharper and statistically significant increase in the illicit ivory trade has been confirmed since 2008. A 2011 survey of China's ivory markets<sup>3</sup> concluded that the one-off sales "broke the integrity of what had effectively been a ban on international commercial ivory trade". The sales served to buttress legal domestic trade in consumer countries, which, the report concluded, "is sustaining and perpetuating a rising demand for elephant ivory".
- c. Sending mixed signals: The fact that the sale coincided with a nine year moratorium sent mixed messages to the various stakeholders in the trade - to consumers, that it was legal and acceptable to buy; and to middlemen and speculators, that future supply would be restricted and prices could be driven high. Indeed, this is reflected by the actions of China, which artificially raised the price of ivory five-fold and more, and restricted the supply of ivory, releasing only five tons annually to selected factories.

## The disposal landscape

- 7. A growing number of countries representing range, transit and consumer states have crushed or burnt ivory stockpiles. Kenya (1989 and 2011), Zambia (1992), Chad (2007), Gabon (2012), the Philippines, the State of Maharashtra in India, the USA and China (all 2013) have disposed of stockpiles; and France has pledged to do so. Most recently, the Members of the European Parliament passed a resolution that calls for EU Member States to destroy their stockpiles of illegal ivory and introduce moratoria on commercial imports, exports and domestic sales of tusks and ivory until wild elephant populations are no longer threatened by poaching.
- 8. The effect of these disposals has been important. Kenya's ivory pyre in 1989 (which can still be visited as a monument in Nairobi National Park) presaged the international ban later that year, and became the iconic image of the campaign which led to the sudden collapse in demand in western markets - demand which has never recovered. That iconic image represented the fact that ivory was illegal, that it was unacceptable, and that consumer demand was responsible for the killing of Africa's elephants. In President Moi's words, the message was "Stop buying ivory". It worked: demand, trafficking and poaching fell away.
- 9. A realization that the situation is as serious - if not more so - today than it was in 1989 has spurred other countries publicly to dispose of their stockpiles. The action by Kenya, Zambia and Gabon has certainly led to similar action in non-range states.

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<sup>3</sup> "Making A Killing: A 2011 Survey of Ivory Markets in China". Grace G. Gabriel, Ning Hua, Juan Wang with IFAW. 2012.

10. While the motivations behind these disposals are varied, the message from each is clear: the poaching of elephants and illegal trafficking of ivory will not be tolerated. It is the same message as in 1989, and it is resonating and gaining momentum around the globe.

## **The motivation for non-commercial disposal of stockpiled ivory**

### **1. Economic motivation - stockpiles require a considerable outlay with no beneficial return.**

- Stockpiles are costly to maintain and secure. Namibia, for example, holds approximately 30 tons that originated from Angola, and estimated its storage costs at about USD 75,000 per year. Costs rise with every new seizure or collection from the field which, as a result of increased poaching and trafficking activity, are now more frequent. Disposal would considerably lower costs.
- The elephant populations of all Range States, apart from Botswana, Namibia, South Africa and Zimbabwe, are in Appendix I - and therefore have little prospect of a mandated sale under CITES. For the four countries with elephant populations listed under Appendix II, there is a moratorium on sale until at least 2017 and, considering the ongoing threat to African elephant populations, little chance of a sale after that.
- In the event that permission to sell is granted, Range States are likely to get the same poor deal they received in 1999 and 2008; a very low price per kilogram compared to what the consumer countries went on to make from their domestic markets.

### **2. Enforcement efforts, the rule of law and governance are undermined - stockpiles are leaking into illegal supply.**

- National Wildlife Authorities, because they are responsible for elephants, have been made responsible for storing and securing ivory stockpiles - the equivalent of guarding a bank vault. This is not, in the main, the job that they are trained, qualified or equipped to do. This puts them under huge pressure and diverts effort, attention and scarce resources away from important fieldwork.
- Rangers face considerable danger when protecting elephants from poachers. Ironically, the better protected the elephant, and the more high-risk poaching becomes as a result, the greater the incentive for stockpiles to be compromised instead. Simultaneously countering threats to elephants and stockpiles puts further pressure on their already stretched enforcement capacity.

- In recent years there have been many reports<sup>4</sup> of leakages of ivory from government stockpiles into the black market. Furthermore, a 2010 TRAFFIC survey<sup>5</sup> indicates that 7 out of 23 Range States who confirmed having government stockpiles reported lower stock of ivory in 2010 compared to 1997, instead of the accumulation expected. Stockpiles are both a target for theft and an inducement to corruption, and their disposal would avoid the risk of embarrassment of such misappropriation.
- Non-commercial disposal would be consistent with procedures regarding other seized substances and articles.

### **3. Maintaining stockpiles sends dangerous mixed messages to consumers, traffickers and speculators, and is a source of discord between Range States.**

- Maintaining stockpiles undermines demand reduction efforts, which are key to dealing with the ivory crisis. Keeping ivory is incompatible with the consumer-facing argument that ivory should not be perceived as an item of value.
- Disposal of stockpiles, as a negation of ivory's perceived value, also helps avert speculation on ivory by those betting that a legal ivory trade may reopen. This type of speculation could raise current ivory prices, which in turn puts more pressure on living elephants.
- Furthermore, stockpiles hinder cooperation between Range States on a common solution to the Ivory Crisis, such as more substantial restrictions on the ivory trade.

### **4. Allowing a further sale of stockpiles or attempting an ongoing regulated trade is likely to worsen the poaching crisis.**

- Present circumstances preclude the introduction of a properly regulated legal trade in ivory. No viable market system has been proposed, and the time and funds required to craft and initiate such a system are lacking.
- Limited supplies of naturally accrued ivory are unlikely to satisfy demand in the long term, and neither available data on levels of demand nor understanding of the relevant market mechanisms suggest otherwise. Demand is only expected to rise if the stigma of illegality is removed.
- The existing framework, which attempts to accommodate legal markets in parallel with an international ban, makes it hard to identify and prosecute illegal trade. Allowing a constant legal

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<sup>4</sup> "Three Tonnes of Ivory Vanish as Thieves Loot Southern Africa Stockpiles", *IFAW*, 22 June 2012; "Destroying Elephant Ivory Stockpiles: No Easy Matter", *National Geographic*, 2 August 2013; "UN Report raises doubts on China Ivory Supply", *Associated Press*, 11 July 2008.

<sup>5</sup> Milliken, Tom. "Report on the results of the *Elephant and Ivory Trade Questionnaire* pursuant to Decision 13.26 (Rev. CoP14) on the *Action plan for the control of trade in elephant ivory*". April 2010.

supply of ivory into the market would merely perpetuate this issue, with many key source, transit and destination countries having neither the resources nor the capacity required for effective regulation and enforcement.

## **5. Widespread disposal of stockpiles is essential to demand reduction efforts.**

- Non-commercial disposal of ivory sends the clearest possible signal that ivory should not be perceived as an item of value, lending legitimacy and grounding to any serious demand reduction campaign. Indeed, the higher the perceived value of the ivory disposed of, the more noteworthy the act to consumers, the greater its potency as a message and the further that message is likely to travel.

## **6. Disposal of ivory means better protection for Africa's elephants.**

- A country's disposal of its stockpiles shows determination to fight against all ivory related crime; demonstrates solidarity with the African and Asian countries fighting against poaching; and deplores the trade's many victims - both the elephants and their guardians - and the broader damage to local livelihoods, national economies and security.
- With the temptation of further one-off sales removed, pro-trade Range States are likely to be more inclined to adopt more substantive permanent measures to address the Ivory Crisis.
- As a result of Kenya's well-publicized ivory bonfire they received monetary support for conservation. Disposal can serve to raise awareness amongst potential donors, reassure them as to the intentions of the Range State concerned and encourage engagement with their cause.
- The decisions of Kenya and Gabon to burn their stockpiles have helped to galvanize further support for similar measures elsewhere - as recent moves by the Philippines, the United States and China attest. If others join the movement of voluntary disposal, and if further measures are taken globally to restrict international trade, more major consumer states are likely to follow suit. More importantly, this would open up a window of opportunity during which these states may be convinced to introduce stricter legislation on domestic ivory trade. All of this would have a considerable impact on domestic consumer demand and pricing.

## **Stop Ivory**

Significantly, there is growing consensus across stakeholders as to the actions required to resolve the Ivory Crisis. These are actions that aim to stop the killing, stop the trafficking and stop the

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# Stop Ivory

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demand. Stop Ivory recognizes the following steps underpin these actions:

1. **Putting ivory stockpiles and accruing ivory beyond commercial use** until African elephant populations are no longer threatened and at least for 10 years;
2. **Closing all domestic ivory markets**
3. **Putting on hold the consideration of all international and domestic trade** until African elephant populations are no longer threatened and at least for 10 years; and
4. **Providing emergency and long term funding** to national wildlife authorities to enable them to address the Ivory Crisis through implementation of the African Elephant Action Plan.