

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES  
OF WILD FAUNA AND FLORA

Sixth Meeting of the Conference of the Parties

Ottawa (Canada), 12 to 24 July 1987

Interpretation and Implementation of the Convention

Trade in Ivory from African Elephants

FINANCING SECRETARIAT CO-ORDINATION OF  
AFRICAN ELEPHANT IVORY TRADE CONTROLS

This document has been prepared by the Secretariat.

BACKGROUND

1. At the fifth meeting of the Conference of the Parties (Buenos Aires, 1985) Resolution Conf. 5.12, "Trade in Ivory from African Elephants", was adopted. The Resolution recommended new procedures for the control of the international ivory trade generally referred to as the "Quota System".
2. The Secretariat was directed to provide co-ordination for implementation of the system, including maintaining a central data base, receiving annual quotas from producer countries and circulating them, preparing a manual of procedures for implementing the system and providing advice on the conservation status of African elephant populations. The Parties also accepted document Doc. 5.22.1 (Rev.), which outlined the establishment and operation of a special unit within the Secretariat and proposed trade control procedure guidelines. Resolution Conf. 5.12 noted that the Secretariat would need adequate resources, including staff, to provide effective co-ordination of controls, and appealed for governmental, non-government organization and other agency funds for this purpose.
3. An implementation manual was written by the Secretariat and distributed in November 1985, and the Quota System became fully operational in 1986, the first quota year. A full time Co-ordinator was added to the Secretariat staff in early 1986, and WTMU has been contracted to process raw ivory tusk data and to report on trade statistics.
4. In 1985 the estimated budget for the Ivory Unit in the first two years of operation was as follows: Co-ordinator salary - US\$ 105,000, travel - US\$ 21,000, contract with WTMU for data analysis and reporting - US\$ 22,500, for a total estimated 1986-1987 cost of US\$ 148,500. The Unit became fully operational in March 1986 after recruitment of the Co-ordinator. From 1986 to the present, the Secretariat has received contributions of US\$ 112,900 towards the first two years of operation from one trade association (78%), one national government and two individuals.

Fluctuation in the US dollar exchange rate has since outdated earlier estimates and the revised cost is now estimated to be almost US\$ 200,000 for the two years as follows: Co-ordinator salary and cost of recruitment - US\$ 152,000, travel - US\$ 23,000, data analysis and reporting - US\$ 22,500, for a total of US\$ 197,500. This means that the Secretariat faces a short-fall of US\$ 84,600 for these first two years with respect to funds already committed and collected. The Secretariat is actively seeking additional contributions, and UNEP has loaned the Secretariat monies from the Environment Fund until 31 August 1987 as an interim solution pending receipt of additional contributions to cover the deficit.

Annual costs are estimated at approximately US\$ 110,000 after 1987.

5. The following basic funding schemes have been considered for financing continued Secretariat co-ordination of the ivory trade control system:
  - a) Assessment on Ivory Traded - This alternative would provide financing directly from assessments on raw ivory traded commercially that would be paid or passed on to the Secretariat. A US\$ 1.00 per kilogramme assessment on raw ivory at its point of first import will yield an estimated US\$ 135,000 per year based on a conservative estimate of 150 tonnes exported annually by producer countries. It assumes that personal and household effects ivory qualifying for the Article VII exemption and hunting trophies (estimated to total 10% of exports), as well as re-exports, would not be assessed. Because importing countries would have to establish or modify import licence/consignment clearance procedures to ensure that assessments are paid to the Secretariat, it is not likely that any significant amount of funds could be available until well into 1988.
  - b) Voluntary Contributions - This alternative would be a continuation of the current ad-hoc scheme. It is voluntary, with no assurance of continuity, and has until now produced only a portion of the funds required. Some of the pledges of assistance received informally have not materialized. Also, previous contributors have informed the Secretariat that a more equitable arrangement for distributing the cost is needed and that contributions will be reduced or eliminated in future years.
  - c) Regular CITES Budget - To cover the entire cost under this alternative would require either a substantial increase in regular Party contributions or the displacement of other activities. Whilst it would be the most desirable from the standpoint of certainty/continuity, an increase in the regular budget sufficient to cover costs of the entire operation would, at least for the next biennium, add to an already serious financial situation resulting from non-payment of Party contributions and extreme currency fluctuation (see Financial and Budget material in documents Doc. 6.8 to Doc. 6.11).
6. Although the system has been in operation through only one full quota year - 1986, it is readily apparent that it will be effective in controlling the illegal trade in ivory if Parties follow the recommendations of Resolution Conf. 5.12 and the Ivory Trade Control Procedures. For the system to really have any chance of success the point must be reached where quota and importing states recognize and accept the importance of the procedures and take steps to incorporate them in routine internal procedures. This will continue to require an intensive level of co-ordination in at least the second and third quota years, that is, through 1987 and 1988.

None of the alternatives presented in 5. above, standing alone, appears to be workable in the short-term for the reasons discussed, and a composite approach to financing co-ordination is proposed, at least until the seventh meeting of the Conference of the Parties.

7. An assessment on ivory traded is recommended as the basic funding source for ivory trade co-ordination in the long term, and a draft resolution covering this is presented in the Annex.

Recognizing that funds would probably not begin to be available in any significant amount until well into 1988, contributions and support from the regular Secretariat budget will be required until at least that time, but could be phased out as assessment funds become available.

8. It is suggested that at least US\$ 50,000 be sought from voluntary contributions in each of the next two years to cover the costs of data processing and analysis by WTMU, travel and a portion of the Secretariat's support costs for the Co-ordinator, and that the Co-ordinator's salary be provided under the regular Secretariat budget. If assessment funds become available sooner or at higher levels than expected, support from the Secretariat budget would be reduced accordingly. It should be noted also that governments have informed the Secretariat that funds might be provided from the sale of confiscated consignments of illegal ivory and from assessments of registered stocks.

The assessment procedure might produce more funds than the Secretariat needs for operational costs and, after reimbursement of all monies advanced by the Parties, any surplus could be used to assist elephant ivory producer states in the implementation of Resolution Conf. 5.12.

DRAFT RESOLUTION OF THE CONFERENCE OF THE PARTIES

Financing Secretariat Co-ordination of African  
Elephant Ivory Trade Controls

WHEREAS Resolution Conf. 5.12, adopted at the fifth meeting of the Conference of the Parties (Buenos Aires, 1985), recommended procedures for the control of trade in ivory from African elephants, generally referred to as the "Quota System", and directed that the CITES Secretariat assist in the implementation of the System;

WHEREAS Resolution Conf. 5.12 noted that the Secretariat could not effectively co-ordinate ivory trade controls without adequate resources, and appealed for the provision of funds for this purpose;

RECOGNIZING that the level of voluntary contributions from governments, non-governmental organizations and individuals is not adequate for the Secretariat to continue providing effective co-ordination;

RECOGNIZING further the need for a source of funds that will ensure continuity in the co-ordination of ivory trade controls;

THE CONFERENCE OF THE PARTIES TO THE CONVENTION

RECOMMENDS

- a) that Parties and co-operating non-Parties assess consignees/importers-licensees one U.S. dollar for each kilogramme of raw African elephant ivory imported from countries of origin, except that trade consisting of personal and household effects items qualifying for exemption under Article VII of the Convention, hunting trophies and re-exports shall not be subject to the assessment;
- b) that funds collected by means of this assessment procedure be made available to the Secretariat for ivory trade control co-ordination; and
- c) that funds so collected in excess of the full costs of Secretariat co-ordination, including reimbursement of all monies advanced by the Parties for such co-ordination, be used to assist elephant ivory producer states in the implementation of Resolution Conf. 5.12.