TESTIMONY FOR THE RECORD

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INTRODUCTION

The Property and Environment Research Center (PERC) is the home of free market environmentalism. Founded in 1980, PERC is a privately funded research institute dedicated to harnessing the power of markets and property rights to deliver solutions to conservation challenges. Headquartered in Bozeman, Montana, PERC draws on the experience, knowledge, and expertise of research fellows and senior research fellows spread across 19 academic and other institutions on two continents. PERC also supports outside scholars via fellowship and colloquium programs, encompassing research in a wide variety of disciplines, as well as a regular series of workshops that convene conservation practitioners, business leaders, and academics to have open and thoughtful discussions about pressing needs in the conservation of wildlife, land, and water.

We respectfully submit this testimony for consideration by the Department of the Interior, International Wildlife Conservation Council (IWCC).

THE UNITED STATES MUST RECONSIDER ITS APPROACH TO WILDLIFE CONSERVATION IN SUB-SAHARAN AFRICA

To continue to aid African partners in delivering shared goals in wildlife and habitat conservation, the policies and programs of the United States must keep pace with a changing economic and political environment. Failing to align conservation policy with these new realities risks undermining conservationists' ability to deliver the environmental quality that is necessary to ensure the sustainability of economic development in African nations and the success of broad U.S. goals in the region.

Conservationists must give greater consideration to the fact that the economic climate of Sub-Saharan Africa is changing. Sub-Saharan Africa is home to six of the world's 10 fastest growing economies, and the regional economy as a whole continues to strengthen rapidly. This trend can be expected to continue as the African Continental Free Trade Area becomes a reality. Economic growth is already influencing the decision-making of African partners with regard to wildlife conservation. As the political, policy, and social environments of the continent change the conditions under which established conservation systems have developed are receding.
Africa's recent economic growth is due in no small part to increased Chinese investment in the continent. This investment is often characterized by a lack of concern for the environmental impacts of Chinese-backed projects. Chinese nationals working in Africa have also been consistently implicated in the illicit trafficking of African wildlife, an activity considered by the United States and its African allies to be a regional security threat.

Degradation of the environment, including the depletion or loss of wildlife habitat and populations, will create obstacles to Africa's future and sustained economic growth and development. With the right policy and program adjustments, the United States can help its African partners navigate this period of change to further our shared goals of a verdant, free, and prosperous Africa.

Conservationists must also give greater consideration to the fact that the overarching policy environment around U.S. engagement with Africa is changing. The adoption of the Prosper Africa strategy has created an environment in which the right policy and program adjustments can be made. These legislative and strategic improvements better align U.S. engagement in Africa with the shared values of free markets, free enterprise, and self reliance. They present the United States as a strong partner that is capable of providing inputs to African economies that will allow them to grow and prosper in ways that are empowering, sustainable, transparent, and accountable.

It is critical that concern for the environment not be lost in this realignment. This concern is a core feature and differentiator of existing U.S. engagement with African partners and is something that has been widely internalized by the American private sector. Expressing this concern via U.S. policy, such as through active support for African hunting programs, will further U.S. and African strategic objectives by increasing the capacity of African nations to maintain the high levels of environmental quality necessary to deliver both prosperity and stability.

Finally, conservationists must realize that the policies, programs, and postures of the Department of the Interior are not keeping pace with these changes. Existing departmental and agency policies, programs, and postures related to Africa are largely products of the post-colonial era and are generally based around command-and-control approaches to conservation. The status quo in many cases may not be adequate to allow for effective engagement in the context of new realities or enable the delivery of conservation capable of enhancing, advancing, and sustaining the shared goals of the United States and its African partners.

The status quo must change to work with prevailing trends and better leverage the ability of markets, property rights, and public-private partnerships to conserve the ecosystems and natural resources whose health and sustainable use will help form the basis of regional peace and prosperity.

Africa's international big game hunting industry provides a turn-key sector through which shared wildlife conservation and international policy goals can be achieved via a market-based approach. With more than 70 percent of the global big game hunting market, the United States has significant leverage to make that industry a positive influence on Africa's future.[1] However, taking advantage of these existing opportunities requires that the Department of the Interior and other government agencies learn from past mistakes and adjust current policy positions to bring them more in line with the value of international hunting and the market-based approach to conservation it represents. Doing so will increase the chance of avoiding unintended consequences and improving U.S. relations with its African partners.

[1] Killing for Trophies: An Analysis of the Global Trophy Hunting Trade. International Fund for Animal Welfare. 2016. Accessed March 10, 2019 at https://s3.amazonaws.com/ifaw-pantheon/sites/default/files/legacy/IFAW_TrophyHuntingReport_US_v2.pdf

THE NEW CONTEXT OF CONSERVATION IN AFRICA

The context of Africa's place in the world continues to change and so must America's engagement with the nations that comprise the continent. From colonial outposts to newly independent nations, Africa is now home to the majority of the world's fastest growing economies, with the World Bank predicting regional economic growth to average 3.6 percent in coming years. This is slightly more than one percentage point higher than the projected growth for the United States as forecast by the Congressional Budget Office. The size of African markets is also increasing. By 2050, Africa is projected to account for half of the world's population growth, and by 2100, it is predicted to be the birthplace of one out of every three people.[2]

In contrast to other parts of the world, Africa's economies are liberalizing to better harness this positive growth trend. Later this year, the continent plans to establish the world's largest trade bloc, the African Continental Free Trade Area, representing more than 1 billion people and a gross domestic product of $3.4 trillion. Africa's ongoing economic opening and growth, coupled with proximity to key transportation routes and significant deposits of oil, gold, cobalt, timber, and other natural resources, have made the continent a region of geostrategic importance and a target for investors and trade partners. The approaches and priorities of these latter two groups will play a significant role in shaping the future of wildlife on the continent.

Currently, China is Africa's largest trade partner. And while the United States remains the largest source of foreign direct investment on the continent, Beijing has been working to position itself in that role as well. Africa has seen a significant upswing in Chinese investment since 2009. Africa is a key region in Beijing's Belt and Road Initiative, a $1 trillion investment and development strategy intended to catapult China into position as the world's next economic superpower. This strategy is heavily dependent on investment in pipelines, rail lines, ports, and supportive infrastructure that are capable of transporting goods to and from China.

McKinsey & Company estimates there are 10,000 Chinese-owned businesses across Africa.[3] To date, Chinese investment and business operations in Africa have been generally characterized by a lack of concern for environmental impacts.

One example is Koukoutamba Dam being built by the Chinese state-owned firm Sinohydro in Guinea's Moyen-Bafing National Park. While providing needed electricity to feed Guinea's growing economy, the dam will also create a reservoir that primatologists working in the park estimate will kill between 800 and 1,000 western chimpanzees, an endangered species under the

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[2] United Nations. World Population Prospects: Key Findings and Advance Tables. 2017. Accessed March 10, 2019 at https://esa.un.org/unpd/wpp/Publications/Files/WPP2017_KeyFindings.pdf

[3] McKinsey&Company. Dance of the Lions and Dragons: How are Africa and China engaging, and how will the partnership evolve? June 2017. Accessed March 11, 2019 at https://www.mckinsey.com/featured-insights/middle-east-and-africa/the-closest-look-yet-at-chinese-economic-engagement-in-africa

U.S. Endangered Species Act that American taxpayers have invested substantial resources in conserving through the Great Ape Conservation Fund.

The case above raises the related issue that, unlike the United States, China's contributions to conservation efforts in Africa remain relatively small. This is due to a combination of China's internal political climate being intolerant of a well-developed civil society, Chinese companies lacking commitments to sustainability and environmental protection, and the priorities of communist party officials in Beijing.

It can be reasonably argued that this lack of concern for the environment is a feature, not a bug, when it comes to Beijing's economic strategy towards Africa. China's willingness to disregard environmental concerns in the name of expediency is a deliberate selling point, not an oversight. However, while dismissing environmental concerns may create opportunities for China and its African partners to achieve short-term development goals, it will ultimately result in the kind of environmental degradation that hinders long-term growth and prosperity.

The Trump administration's Proposer Africa strategy shifts the United States' involvement in Africa away from aid and toward investment, trade, and expanded business relationships. This new strategy aims to advance trade and commercial ties between the United States and African countries while seeking to counter China's influence on the continent. In December, when announcing this strategy, White House national security advisor John Bolton mentioned the contrast in levels of environmental concern between China and the United States in Africa and its implications, stating "[China's] investment ventures are riddled with corruption, and do not meet the same environmental or ethical standards as U.S. developmental programs."[4]

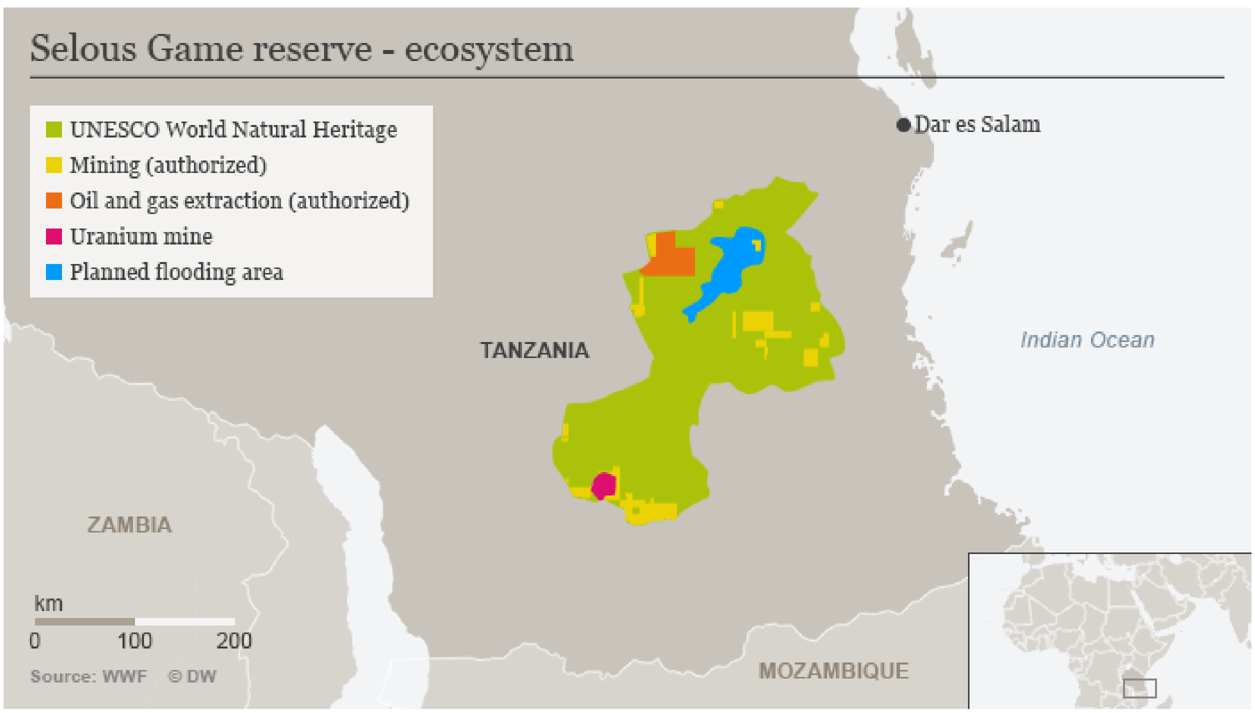
By promoting private-sector investment and increased trade, the Prosper Africa strategy has the potential to deliver positive outcomes for African wildlife and the environment overall, but there is no guarantee that potential will be realized. Absent conservation-oriented social customs, business cultures, and economic incentives, this new context can increase the risk of environmental degradation. The risk to wildlife habitat is especially high.

One place that illustrates this increasing risk of environmental degradation is Tanzania's Selous Game Reserve, where industrial development supported by China and Russia is threatening wildlife habitat. At 20,000 square miles, an area larger than Denmark, the reserve is one of Africa's largest conservation areas. Managed extensively for the sustainable use of wildlife, it was designated a UNESCO World Heritage Site in 1982 and is one of Tanzania's lion conservation units.

[4] Remarks by National Security Advisor Ambassador John R. Bolton on the Trump Administration's New Africa Strategy. Delivered at the Heritage Foundation on December 13, 2018. Accessed March 10, 2019 at https://www.whitehouse.gov/briefings-statements/remarks-national-security-advisor-ambassador-john-r-bolton-trump-administrations-new-africa-strategy/

In a country where only one-third of the population has access to electricity, the government of Tanzania has determined that the need to increase power generation outweighs the wildlife conservation values of the Selous.[5] A hydroelectric dam project on the Rufiji River at Steigler's Gorge, now 80 percent complete, will flood 463 square miles, an area roughly twice the size of Salt Lake City, in the reserve's core. The project is being completed with the support of a parastatal enterprise of China's Henan Province and will produce irreversible impacts on a critical area of wildlife habitat, especially during the dry season.[6]

In addition to the immediate and lasting ecosystem degradation caused by the resulting reservoir, there is concern among conservationists that the dam will serve as an anchor for additional infrastructure development in the Selous that could allow for the expansion of logging, oil and gas, and mining projects already occurring on the reserve's periphery. This includes uranium mining by the firm Rosatom, a Russian state corporation.



The case of the Selous Game Reserve provides a clear illustration of the changing context of conservation in Africa, one where increases in political stability, market size, and investment are increasing development options for lands once considered best-suited for wildlife and recreation. It is critical that U.S. conservation policies and programs be increasingly sensitive to this new economic and political reality so that environmental challenges are not aggravated, U.S. competitive advantages are not lost, and illiberal geopolitical competitors are not empowered.

[5] Access to Electricity (% of population). The World Bank. Accessed March 10, 2019 at https://data.worldbank.org/indicator/eg.elc.accs.zs

[6] China Henan International Cooperation Group Company Limited is supporting the hydroelectric dam project.

Unfortunately, current U.S. policy has not demonstrated the required sensitivity. This is illustrated by a U.S. ban on elephant hunting trophy imports and increased restrictions on imported lion trophies from the already conflicted Selous Ecosystem, as well as from Zimbabwe.

The 2014 imposition of a U.S. ban on elephant trophy imports from Tanzania, coupled with pre-existing Endangered Species Act restrictions on lion imports, has created a market in which professional hunting operations around the Selous are being forced out of business. To date, 82 hunting blocks have been surrendered back to the Tanzanian government. The closure of these businesses is resulting in the loss of private sector custodianship of millions of acres of wildlife habitat that are now at heightened risk of development and a decrease in positive economic engagement between the United States and Tanzania.

One case that highlights the current situation is that of the Pasanisi family. In a widely circulated message last March, Eric Pasanisi announced that his family was surrendering 6.6 million acres of hunting blocks around the Selous, an area roughly three times the size of Yellowstone National Park. He said bluntly that given the obstacles U.S. Fish and Wildlife Service policies created in the international big game hunting market, they could no longer book enough 21-day safaris to remain economically viable.[7]

While import restrictions have been justified by the U.S. government as a necessary response to elephant poaching and other trends in Tanzania, they have had the unintended impact of dismantling the multi-million dollar, 100-man counter-poaching team employed by the Pasanisi family.[8]

They have also had the widespread effect of removing wildlife-dependent businesses from the market, in turn decreasing the economic competitiveness of wildlife habitat. Millions of acres of land are now vulnerable to development in an ecosystem already stressed by a massive hydroelectric project and where America's geopolitical rivals have an established business footprint. These impacts stand in contrast to the conservation objectives of the Endangered Species Act and the development goals of the Prosper Africa initiative.

Similar shortcomings are also present in the policy posture of the U.S. Fish and Wildlife Service toward Zimbabwe. In 2014, the agency also banned elephant trophy imports from Zimbabwe. While the agency has made moves to reopen the U.S. market to Zimbabwean elephant trophies, these efforts have been curtailed.

As in Tanzania, the decision to ban the importation of elephant trophies from Zimbabwe was originally justified as a necessary measure to counter elephant poaching. However, by denying the Zimbabwe Parks and Wildlife Management Authority and community anti-poaching units a

[7] E. Pasanisi. Personal Communication. 2018.

[8] The Pasanisi family spent over $2.3 million on counter-poaching. Source: E. Pasanisi. Personal Communication. 2018.

key source of revenue, the U.S. decision undercut the capacity of indigenous anti-poaching programs.

According to the Safari Operators Association of Zimbabwe, the closure of the U.S. market to Zimbabwean elephant trophies produced a 30-percent decline in safari bookings.[9] Reduced revenues from international hunting had negative impacts at national and local levels. The loss of fees collected by the Zimbabwe Parks and Wildlife Management Authority limited the agency's ability to pay its anti-poaching rangers and other staff, resulting in reduced capacity and decreased security. In one high-profile case in 2015, the failure to pay salaries resulted in Zimbabwean park rangers turning to poaching themselves in Huwange National Park, where they poisoned 62 elephants.[10]

In areas managed under the Communal Areas Management Program for Indigenous Resources (CAMPFIRE), safari bookings saw a 57-percent decrease following the ban, resulting in a net income loss of 27 percent. This translated to decreased capacity for CAMPFIRE's 168 anti-poaching scouts and increased engagement with the Russian hunting market in an attempt to make up the shortfall.[11]

One additional outgrowth of the U.S. trophy import restrictions was the decision by Harare to begin the sale of live baby elephants to China to raise revenue that had previously been provided by U.S. trophy hunters. Groups such as the Humane Society and the International Fund for Animal Welfare have objected to these sales based on animal welfare and conservation concerns. In the context of contemporary realities, U.S. policymakers should also consider that these sales served to strengthen economic and political relations between Zimbabwe and Beijing, and did so in a way that produces a net outflow of African wealth to China.

An individual elephant is worth an estimated $1.6 million dollars across its life cycle.[12] Whereas Zimbabwe's international hunting programs remove individual elephants from the population toward the end of their life cycle, allowing for the maximization of their economic value, live sales of baby elephants remove individuals at the beginning of their life cycle, preventing such maximization from being achieved by the range nation. Such outflows undermine the ability of African nations to "stand on their own two feet," economically, a key strategic goal of the United States that stands to improve the deliver of conservation efforts over the long term.

In the cases of both Tanzania and Zimbabwe, U.S. policymakers should engage in serious reflection on the unintended consequences of their decisions around African international hunting programs and seek to identify how better decisions might have been achieved. While the

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[9] Kuwaza, K. Safari Operations Decline by 30%. The Zimbabwe Independent. December 18, 2015. Accessed March 10, 2019 at https://www.theindependent.co.zw/2015/12/18/safari-operations-decline-by-30/

[10] "Zimbabwe's Elephants 'Poisoned by Dissatisfied Rangers.'" *The Telegraph*. October 27, 2015.

[11] The Role of Trophy Hunting of Elephant in Support of the Zimbabwe CAMPFIRE Program. 2016. CAMPFIRE Association. Mukuvisi Woodlands. Harare, Zimbabwe.

[12] Dead or Alive? Valuing an Elephant. David Sheldrick Wildlife Trust. 2014.

scientific integrity of decision-making on wildlife conservation issues should be maintained, officials should take a broader view of the issues surrounding African wildlife conservation. They should also actively seek to enact policies that work with prevailing market and policy forces and further the shared goal of the United States and its partners for a future where African nations are verdant, prosperous, and free.

SUGGESTED ACTION

There are many actions the United States can take to improve its ability to positively engage African partners through the size and strength of the U.S. market for international big game hunting. We look forward to engaging the Department of the Interior and this council in further discussion on what those might be. Actions that should be taken in the short term include:

Update the U.S. Strategy to Combat Wildlife Trafficking

The current iteration of the U.S. Strategy to Combat Wildlife Trafficking takes a pejorative view of international hunting. Under a section titled "Using Administrative Tools to Quickly Address the Poaching Crisis," the strategy identifies limiting the importation of elephant trophies as necessary to achieve its goals.[13] This language should be removed without delay as it creates perceptions of hunting as an obstacle, instead of an asset, to wildlife conservation and regional security goals, and it encourages actions that do not serve the strategy, the Prosper Africa initiative, or the Endangered Species Act.

The strategy should be updated to recognize rural communities as a critical choke point in the supply chains of wildlife traffickers and the ability of international hunting to both increase the opportunity costs for engaging in or enabling poaching and the incentives for conserving areas for use as wildlife habitat.

Finally, the strategy should explicitly recognize the value of market-based approaches to wildlife conservation in general. As per the current language of the strategy, the U.S. approach to deterring poaching in Africa is based on three primary objectives: strengthening enforcement, reducing demand, and expanding international cooperation. However, as USAID has noted: "Law enforcement alone will not sufficiently or effectively address wildlife crime. Enforcement actions must be coupled with actions that incentivize positive relationships with wildlife resources. Activities must shift the responsibilities and benefits from wildlife to local communities to ensure active stewardship. Local communities are widely perceived as the first line of defense against wildlife crime. More strategic approaches are necessary to ensure that

[13] The White House. (2014) National Strategy for Combating Wildlife Trafficking. Pp. 6. Access September 19, 2018 at https://obamawhitehouse.archives.gov/sites/default/files/docs/nationalstrategywildlifetrafficking.pdf

such community interventions are indeed shifting the balance to motivate positive behaviors and resulting in decreased wildlife crime."[14]

The existing approach outlined in the strategy is heavily dependent on the cooperation of China, home of both the strongest demand for ivory and rhino horn and the networks responsible for their trafficking. By integrating market-based approaches into the strategy and its related programs, the United States can increase its leverage and better play to its strengths in addressing the combined conservation and regional security threat of illicit wildlife trafficking and better align related programs with the Prosper Africa initiative.

Lift the De Facto and De Jure Federal Bans on Trophy Imports

As discussed, obstacles to the importation of elephant and other trophies from Tanzania and Zimbabwe have had severe negative impacts on the ability of African nations to conserve wildlife habitat and counter illicit wildlife trafficking. They have reduced U.S. engagement with African countries and opened the door for competitive opportunities for America's illiberal geopolitical rivals who have shown little to no concern for African conservation. Import restrictions have also sent a signal of instability in the international hunting market that has the potential to influence the decision-making of African partners when presented with development options.

For these reasons, the U.S. Fish and Wildlife Service should work with its sister agencies in the U.S. government and the governments of affected African nations to remove these obstacles in a way that is agreeable to all nations involved and is in compliance with U.S. law.

Pursue Endangered Species Act Improvements

While the Convention on International Trade in Endangered Species allows parties to enact stronger trade measures at their discretion, this discretion is broad and need not be exercised. The aforementioned experience with U.S. bans on elephant trophy imports from Tanzania and Zimbabwe under the Endangered Species Act illustrates how the exercise of agency discretion in import permitting could have negative consequences for wildlife conservation and other goals of the United States and its African partners.

To remedy this, the United States should pursue improvements to the Endangered Species Act that streamline the permitting process for trophy imports. One option to consider is that when a trophy is exported under a range nation's CITES quota, U.S. permits should be given to the importer on a "shall issue" basis, unless compelling evidence is presented showing that the trophy was acquired in violation of the laws of the range nation. Doing so would send a strong

[14] USAID. 2018. USAID Vuka Now: Combating Wildlife Crime in Southern Africa Activity – APS01. September 14, 2018. Accessed September 20, 2018 at http://www.ngopulse.org/opportunity/2018/09/14/usaid-vuka-now-combating-wildlife-crime-southern-africa-acti vity-aps-01

signal of trust in America's African partners and be a sign of increased stability in the international big game hunting market.

Thank you.