Expenditure in the veterinary field: measures to combat avian influenza, Community financial assistance (amend. Decision 90/424/EEC)

2005/0063(CNS) - 28/04/2005 - Document attached to the procedure

COMMISSION'S IMPACT ASSESSMENT

The amendment of current Community legislation on Community veterinary expenditure (Council Decision 90/424/EEC) is amended to ensure adequate financial support to the Member States (MSs) for Avian Influenza (AI).

Further information concerning the context of this issue may be found in the summary relating to the Commission's proposal COM(2005)0171.

1- POLICY OPTIONS AND IMPACTS

The Scientific Committee examined three possible options for disease control, which can be summarised as follows:

1.1- Option 1: **not to change the definition of AI and the control measures laid down in Directive 92 /40/EEC, with a recommendation that Member States (MSs) impose restrictions to limit the spread of LPAI.**

The advantage of this option would be that it does not involve any cost for LPAI surveillance and control for the Community budget. On the other hand, it is evident that this option does not offer sufficient guarantees that the risks posed by AI viruses are properly tackled, with the subsequent negative consequences on animal health and welfare, the economy and the environment.

1.2- Option 2: **to change the current definition of AI to also include LPAI in it, thus establishing the same disease control measures for LPAI and HPAI.**

To apply the current HPAI control measures also in case of LPAI would be disproportionate to the risks posed by LPAI to both animal and public health; this could also result in massive killings of animals, with a major negative impact on public opinion and very high costs for disease control, in circumstances where such massive killings and costs may not be justified nor sustainable. In the case of LPAI, the implementation of a compulsory and systematic stamping out policy, which would lead to massive killing and destruction of animals, does not appear necessary, although in certain cases it can still be a valid option taking into account its costs and risks vs. its benefits. Furthermore, several other ancillary disease control measures that are necessary for HPAI should be applied in a more flexible manner in the case of LPAI, also reducing disease control costs.

1.3- Option 3: **to change the definition of AI to also include LPAI, but to foresee control measures taking into account the different type of virus and animal host involved**.

The current proposals specifically address the LPAI risks by introducing Community harmonised surveillance and control measures for LPAI and developing a broader legal base for the Community co-financing of MSs expenditure related to LPAI control. In the new measures that would be introduced, emphasis is given to the rapid detection and control of LPAI, which should be achieved without

necessarily making recourse to massive killing and destruction of poultry or other birds. This approach would reduce the risks of HPAI outbreaks in animals and ultimately also offer risk reduction benefits for public health.

The expected major benefit of option 3 would therefore be to reduce the risk of HPAI outbreaks in poultry and other birds by means of a better control on LPAI and by building on an approach that is proportionate to the risk posed by the two conditions.

The current proposals would entail additional costs for the MSs and the Community budget, due to the measures being introduced for the surveillance and control of LPAI.

Thanks to the adoption of other disease control measures envisaged under the current proposal, including vaccination, savings should result from the expected reduced size of future AI epidemics. It is, however, extremely difficult to quantify these savings.

a decrease in the AI risk in poultry and other birds in the Community is bound to indirectly but significantly reduce the public health risks posed by AI viruses, including the one of an Influenza pandemic, since the circulation of AI viruses in domestic birds is the main source of the AI risk for humans. The implementation of regular surveillance would also have the positive effect that circulation of any AI virus in domestic poultry having a potential impact on public health could be rapidly detected, so allowing the adoption of any appropriate preventive measures, by both animal and public health authorities.

The cost and the impact of an Influenza pandemic would be so serious that even a slight reduction of the overall risk stemming from the proposed measures should not be disregarded in the overall cost/benefit evaluation of such measures.

The economic impact of these new proposals on the poultry sector is also expected to be favourable, as major epidemics of HPAI have also lead to severe indirect losses to the industry, for which they receive no or minimal compensation from MSs and no compensation at all from the EU.

The impact of the proposed measures on zoos and owners of pet birds and rare breeds or species of birds, etc. is also expected to be positive, due to both the reduced risk of HPAI epidemics, which may require the adoption of unpleasant measures for these birds, and because it would be possible to control the AI risks in these birds without necessarily making recourse to killing the birds in question. Prophylactic vaccination of rare birds in areas at high risk of AI would also be possible.

CONCLUSION: Option 3 is the only approach which would match the new Chapter of the O.I.E. (World Organisation for Animal Health) Code, which is expected to be finally adopted in May 2005, and this would prevent EC disease control measures having a negative impact on international trade. Also for this reason, the introduction of new or more detailed LPAI and HPAI control measures cannot be left to the responsibility of individual MSs, as envisaged in option 1, but needs the adoption of harmonised rules at Community level. In summary, option 3 is the one giving the best guarantees that the risks posed by AI viruses for the economy, the environment and society as a whole are tackled in the best possible manner, by means of proportionate measures that are the most advantageous in terms of cost-risk/benefit ratio.

2- FOLLOW-UP

The Commission will have at its disposal several ways to evaluate the impact of the proposals:

- from the occurrence of future HPAI epidemics on poultry, it will be evident whether the measures put in place have been effective to prevent and control those epidemics;

- from the results of the regular LPAI surveillance programmes, future programmes could be better modulated to ensure that the resources allocated are proportionate to the risks posed by LPAI; this would prevent under- or over-expenditure both for the Community and MSs in connection with surveillance;

- from the control measures applied by the MSs in relation to future LPAI outbreaks and related costs, it will be more clear what the real impact of the new financial measures introduced in relation to LPAI control will be.

The Commission has already in place the necessary basic tools to gather and analyse this information in the proper manner, such as the Standing Committee for the Food Chain and Animal Health and the network of Community and National Reference Laboratories, whose role will be confirmed and strengthened by the current proposal. However, in the future, new scientific opinions could also be useful to assist the Commission for policy formulation and fine tuning of legislation, as well as for MSs when implementing disease control measures.