Basic information

2005/0063(CNS) CNS - Consultation procedure Decision	Procedure completed
Expenditure in the veterinary field: measures to combat avian influenza, Community financial assistance (amend. Decision 90/424/EEC) **Subject** 3.10.04 Livestock farming 3.10.08 Animal health requirements, veterinary legislation and pharmacy 3.10.08.05 Animal diseases 4.60.04.04 Food safety	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AGRI Agriculture and Rural Development	FIGUEIREDO Ilda (GUE/NGL)	24/05/2005

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	MULDER Jan (ALDE)	09/06/2005
ENVI Environment, Public Health and Food Safety	STURDY Robert (PPE-DE)	21/06/2005

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	2703	2006-01-23
Agriculture and Fisheries	2669	2005-06-20
Agriculture and Fisheries	2702	2005-12-20
Agriculture and Fisheries	2677	2005-09-19

European Commission

Commission DG	Commissioner
Health and Food Safety	

Key events

Date	Event	Reference	Summary
		COM(2005)0171	Summary

28/04/2005	Legislative proposal published		
20/06/2005	Debate in Council		Summary
22/06/2005	Committee referral announced in Parliament		
19/09/2005	Debate in Council		Summary
14/11/2005	Vote in committee		Summary
21/11/2005	Committee report tabled for plenary, 1st reading/single reading	A6-0326/2005	
01/12/2005	Decision by Parliament	T6-0456/2005	Summary
01/12/2005	Results of vote in Parliament		
23/01/2006	Act adopted by Council after consultation of Parliament		
23/01/2006	End of procedure in Parliament		
02/02/2006	Final act published in Official Journal		

Technical information

Procedure reference	2005/0063(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
Legal basis	EC Treaty (after Amsterdam) EC 037
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/6/27929

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Amendments tabled in committee		PE362.643	06/10/2005	
Committee opinion	BUDG	PE364.776	14/11/2005	
Committee report tabled for plenary, 1st reading/single reading		A6-0326/2005	21/11/2005	
Text adopted by Parliament, 1st reading/single reading		T6-0456/2005	01/12/2005	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2005)0171	28/04/2005	Summary
Document attached to the procedure	SEC(2005)0549	28/04/2005	Summary
Commission response to text adopted in plenary	SP(2005)5015	15/12/2005	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1061/2005 OJ C 024 31.01.2006, p. 0016-0017	28/09/2005	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2006/0053
OJ L 029 02.02.2006, p. 0037-0038 Summary

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

2005/0063(CNS) - 19/09/2005

The Council took note of the information provided by the Commission on the situation of avian influenza as well as on the US initiative ‘International Partnership on Avian and Pandemic Influenza’. The Presidency intends to return to the issue at, one of its forthcoming sessions, in particular in the light of the discussions within the Council's preparatory bodies on the Commission proposal for a Council Directive on Community measures for the control of avian influenza. It recalls its aim to reach an agreement on the Commission proposal as soon as the European Parliament delivers its opinion (at the latest in December).

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

2005/0063(CNS) - 01/12/2005 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the resolution drafted by Ilda **FIGUEIREDO** (GUE/NGL, PT) and amended the Commission’s proposal. (Please see the summary of 14/11/2005.) The main amendments are as follows:

-Given the existence of that risk of mutation, it is appropriate to provide for the same level of Community financial assistance for cases of both highly pathogenic avian influenza (HPAI) and low pathogenic avian influenza (LPAI). Whereas the Commission had proposed a Community co-financing rate of 50% for outbreaks of High Pathogenic Avian Influenza and 30% for outbreaks of Low Pathogenic Avian Influenza , Parliament required a 50% co-financing rate for both types, on the grounds that it was important to eradicate the Low Pathogenic form as this can mutate into HPAI;

-the Community should pay 100% of the costs of vaccination;

- the relevant Council regulations on exceptional market support measures should be brought into line with Council Decision 90/424/EEC, as amended;

-provision must be made for financial compensation to poultry farmers whose eggs or chickens were not necessarily destroyed but were sent to "other destinations", resulting in revenue that was lower than the normal value of the eggs or poultry. The proposal should specify that "differentiation should be applied when compensation is being given for different kinds of eggs";

-a new recital states that in view of the effects which an avian-influenza epidemic could have, greater emphasis should be placed on prevention and monitoring, in particular by listing the risk areas in each country and carrying out monthly systematic serological screening, with the results to be communicated to those with direct responsibility for the matter;

-the Commission shall investigate the establishment of an European animal health fund, as budgetary provision is likely to be insufficient in the event of a new epidemic. Such a fund could cover the costs of outbreaks of contagious animal diseases. Livestock farmers and other persons and businesses affected within the European Union could contribute to such a fund;

-the Member States shall receive Community support for the development of a system designed to monitor and screen for the disease, including laboratory diagnosis, research into suitable vaccines, the drawing-up of studies, meetings of experts, the provision of information, the issue of publications and any measures aimed at assessing the impact of migratory birds on the spread of contagious diseases in Europe and at ensuring that their migratory routes are monitored;

-the Community shall support the development of measures involving cooperation with and technical support for third countries (in particular Asian ones) in order to enable preventive and screening action to be taken in the countries in which avian influenza originates.

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

2005/0063(CNS) - 28/04/2005 - Legislative proposal

PURPOSE: to update current Community measures on Avian Influenza (AI), with the objective of achieving better prevention and control of outbreaks and to reduce the health risks, the costs and losses and the negative impact to the whole of society due to this disease.

PROPOSED ACT: Council Decision

CONTENT: AI is a serious, highly contagious disease of poultry and other birds caused by different types of viruses included in the very large virus family called *Influenzaviridae.* AI viruses may also spread to other animals and humans, usually following direct contact with infected birds.

The Commission is proposing to replace Directive 92/40 by a new Directive updating the measures in force with the aim of ensuring a better control of AI, taking into

account the need to reduce as much as possible the need for massive slaughter of birds (see CNS/2005/0062). In parallel, it is proposing to amend Council Decision 90/424/EEC on Community expenditure in the veterinary field, to bring it in line with this proposal and ensure adequate financial support to the Member States (MSs) in relation to some of the newly envisaged control measures.

This proposal sets out to:

- to foresee a financial contribution (up to 50%) for the Member States surveillance programmes to be implemented annually.

- to foresee a financial contribution (30%) to MSs, for the costs which they incurred in case of a stamping out policy being applied following low pathogenic AI (LPAI) outbreaks. The reduced contribution compared with high pathogenic AI (HPAI) outbreaks is justified by the fact that MSs should keep the option not to apply a stamping-out policy in case of LPAI, and a higher Community contribution might induce them not to make adequate use of this option. On the other hand, the Community cofinanced surveillance programme should allow the detection of LPAI in a timely manner and thus the need for extensive stamping out should be reduced, with a positive impact also on MSs budgets.

- as regards vaccination, Community financial support as specified above would continue to be granted only in case of emergency vaccination. In a similar manner, no changes would be introduced to existing provisions on co-financing of HPAI control measures.

FINANCIAL IMPACT:

Budget lines: 17 01: Administrative expenditure of health and consumer protection policy area; 17 04 02: Other measures in the veterinary, animal welfare and public-health field; and 17 04 03: Emergency fund for veterinary complaints and other animal contaminations which are a risk to public health.

Total allocation for action: EUR 33 million for commitments over six years (EUR 5.5 million per year from 2006), broken down as follows:

- Operational objective 1 (extension of surveillance programme): EUR 9 million;

- Operational objective 2 (extension of emergency measures to LPAI): EUR 15 million;

- Operational objective 3 (establishment of an AI vaccine bank): EUR 9 million.

Impact on human resources: EUR 1,170,000 (EUR 0.216 per year from 2006).

Total cost of measures: EUR 34.296 million (EUR 3.33 million per year from 2006).

BUDGETARY IMPACT: The current proposal entails additional costs for the MSs and the Community budget, due to the measures being introduced for the surveillance and control of LPAI.

The estimates of the approximate amount of expenditures are broken down as follows:

- surveillance of LPAI: EUR 1-2 million per year; these figures include the expenditures incurred for the surveillance of AI implemented in the Member States in 2003 and 2004. However, it is possible that it will be necessary to consolidate these programmes in the future which would involve additional costs.

- the stamping out of HPAI by slaughtering: EUR 1-4 million per year approximately;

- in addition, if the decision to introduce an AI vaccine bank is finally taken, the establishment and maintenance of this bank will cost approximately EUR 1-2 million per year.

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.

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

2005/0063(CNS) - 20/12/2005

The Council unanimously adopted the revised avian influenza and entered in its minutes a Commission statement. The Council also reached unanimous political agreement on the text regarding the Decision setting the EU contribution for eradication measures on the basis of a compromise drawn up by the Presidency and endorsed by the Commission. The text will subsequently be formally adopted at a future Council.

The thorniest issue at stake concerned the Decision, as it determined the appropriate share of the financial burden between the Member States and the Community. At technical level, several delegations suggested they would support a 50% co-financing rate for both HPAI and LPAI, bearing in mind the risk of the virus mutating from a benign to a severe status.

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

2005/0063(CNS) - 20/06/2005

The Council took note of the technical progress made during Luxembourg's Presidency and noted that the future United Kingdom Presidency intended to press ahead with work so that a decision could be taken on the proposals for a Directive and Decision on Community measures to combat avian influenza, submitted at the beginning of May 2005, as soon as the European Parliament's opinion was received.

The Polish delegation stressed the possible danger, in its view, of mutation of the low-pathogenic virus into a highly pathogenic virus and called for an appropriate level of financing.

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

2005/0063(CNS) - 23/01/2006 - Final act

PURPOSE : to fix an EU financial contribution to measures for the eradication of avian influenza and modify Decision 90/424/EEC.

LEGISLATIVE ACT : Council Decision 2006/53/EC amending Decision 90/424/EEC on expenditure in the veterinary field.

CONTENT : Council Decision 90/424/EEC envisages the possibility of granting a financial contribution from the Community to the Member States for the eradication of avian influenza caused by ‘highly pathogenic’ strains of virus. (HPA1)

Council Directive 2005/94/EC establishes compulsory surveillance and control measures also in relation with the low pathogenic viruses (LPA1), so that outbreaks of highly pathogenic avian influenza may be prevented.

In the light of the adoption of Directive 2005/94/EC it was considered appropriate to modify Decision 90/424/EEC so that Community financial assistance may also be granted for those eradication measures carried out by the Member States to combat avian influenza virus strains of low pathogenicity that may mutate into highly pathogenic strains.

Consequently, this Decision fixes at 50% the Community co-financing rate for highly pathogenic avian influenza (HPAI) and low pathogenic avian influenza (LPAI), for the costs incurred by the Member States in compensating livestock owners for the killing of poultry or other captive birds and for the destruction of animals or animal products, the cleaning and disinfection of holdings and equipment and the destruction of contaminated feedingstuffs and equipment where such equipment cannot be isinfected.

The Community may also reimburse 100% of vaccine costs and 50 % of the costs incurred in carrying out emergency vaccination.