



Position of FESASS on the evaluation and future of the Common Animal Health Policy

It is with great interest that the European Federation for Animal Health and Sanitary Security (FESASS) receives the results of the evaluation of the Community Animal Health Policy (CAHP). This is in effect an essential analytical and long-range planning work aimed at guaranteeing and strengthening in the future the health status of the European herd and food security within the Single Market. Mindful of the extent of what is at stake, FESASS and its member organisations have put a great deal of effort into this evaluation process. The spirit of dialogue that has sustained those carrying out the assessments and the Commission evaluators throughout this exercise is exceptional and will to a substantial extent have made it possible to take account of the combined opinions of the stakeholders. The resulting report therefore constitutes an interesting basis for reflection on the positioning of the CAHP for the coming decades.

However, the proposals for evolution and modification of the CAHP formulated by the evaluators prompt various comments both at the strategic level and in terms of feasibility, particularly with regard to the establishment of a harmonised cost-sharing regime. In addition, the opportunity of this international conference organised by the Finnish and Austrian presidencies as well as the anticipation of a response from stakeholders at this level of the process initiated two years ago by the Commission lead us to present here our own proposals for the development of the CAHP.

Generally, like the stakeholders as a whole and in particular the European Commission, our organisation was expecting this evaluation to result in an analysis and propositions concerning overall CAHP strategy as well as a detailed approach to each specific aspect of this common policy. Having defined the necessary criteria for the analysis, the final report compiled by the consortium does indeed deal with these various aspects. Our object in this context is not to debate each point of this report or its methodology. We wish to focus on the essential directions and concerns for which FESASS is competent.

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For an aggressive long-term strategy in keeping with the expectations of European citizens

In terms of overall strategy the evaluation reveals that, in the course of the past decade, the general objectives of the Community Institutions with the CAHP were on the one hand to support economic growth, cohesion and competitiveness, and on the other hand but to a lesser extent to protect human health (see diagram on page 39 of the report), with animal health constituting only an intermediary objective in this context. Those responsible for the evaluation consider that a rebalancing in favour of human health will be necessary in the future, placing it on a par with the objectives of economic growth, cohesion and competitiveness (see diagram on page 166 of the report). In parallel, animal welfare concerns would also become an intermediate objective in the same way as animal health. Finally, the evaluators count the reduction to a minimum of movements of live animals among the specific objectives aimed at reducing the risks of diseases spreading.

For FESASS the evaluators' diagnosis of past strategy is in line with the actual situation, even if it probably underestimates the position occupied for a very long time by human health objectives in the control of animal diseases. In numerous Member States, the organised control of tuberculosis and brucellosis has been undertaken for reasons of public health since the first part of the twentieth century. The Commission therefore took up this essential objective again in its 1985 Green Paper. **It is clear that the impact of public health concerns will be further strengthened in the future.** Public concerns in this area are all the more sensitive as they are confronted with potentially serious health crises such as the threat of an avian flu pandemic and as they appear against a background of affluence. The regulatory measures adopted in the "Hygiene Package" are witness to this trend.

However, **if Public Health is indeed to form one of the principle objectives of the CAHP, this must not result in the economic objectives being neglected.** With regard to the overall economy, the indisputable success of the CAHP with respect to the effective functioning of the Single Market constitutes a valuable acquisition which it is vital to preserve. Thanks to the CAHP and the rigorous commitment of all the stakeholders in the food chain, the quality in terms of health of the products offered to consumers has been homogenised and strengthened throughout the Union. These advances have enabled significant economic development in the livestock farming and agrifood sectors thereby contributing to the growth of European GDP and strengthening of the Union's exporting capacity. This high level of quality must also be maintained and defended in the period ahead by the future CAHP as it will constitute one of the decisive elements in the attraction of European animals and products in the world market. The impact of animal health on individual farm economics must also not be ignored. **The CAHP must on the one hand support the control, eradication and free status in respect of contagious diseases that have a serious economic impact at the collective level, while ensuring on the other hand that is chosen the most economic means of carrying out such actions.** This is why FESASS fully supports an approach that achieves a balance between the overall objectives of public health and those of economic growth, cohesion and competitiveness.

It is therefore important to adopt a long-term, aggressive strategy capable of satisfying the various expectations of European citizens in terms of both human and animal health, economics and welfare.

However, it is necessary to be conscious of the fact that, if the attainment of a high level of health in line with consumer expectations and production capabilities is to be our common objective, it will nevertheless be impossible to achieve zero risk. The living environment in which we operate continues to be subject to uncertainties and hazards that cannot be fully controlled. In this context CAHP strategy must continue to be based on the principle of precaution, which makes it possible to manage the risks for which uncertainties remain. However, recourse to this principle is tricky because it means finding the appropriate level of precaution in order to avoid being confronted with certain excesses. **FESASS therefore hopes that in future the greatest possible dialogue will occur with the stakeholders in cases where the Commission has to apply the principle of precaution.**

Reorientation in favour of prevention

The evaluators also placed the emphasis at the level of definition of overall future CAHP strategy on the need for the greatest possible degree of reorientation towards preventive action. This approach, which FESASS has supported since its creation, is indeed the best means of avoiding the incidence and spread of serious animal diseases.

Prevention is carried out on a day-to-day basis but is devised for the long term and is only effective if it is carried out collectively. This is why **the CAHP should include measures encouraging prevention, whether this is at the holding, intra-Community trade or import levels.** Beyond this, it is necessary to integrate this concern right at the stage of creation of regulatory measures. It will also be necessary in the **future to register as a basic principle that each time that the CAHP has to resolve a health problem, it must as far as possible favour a preventive step above a curative step.**

In the analysis of options proposed by the evaluators we will revert to preventive measures that could receive priority support, and to their content.

Fortified by new more preventive measures, the CAHP should be better able to control the risks associated with movements of animals and products of animal origin. The same applies in the case of ongoing improvement of the health status of the European herd and reinforcement of the requirements regarding certification and traceability. This is why **FESASS is guarded on the subject of the proposal by the evaluators to designate reduction in the movements of live animals as a specific objective of the CAHP.** Such an approach would compromise certain types of livestock farming resulting for example from regional specialisation attributable to the climate, to the quality of pastures, to the existence of a specific local sector, etc...

Specific objectives and resources adapted in line with the new stakes and with epidemiological and technical progress

The evaluators have integrated the progress achieved in terms of epidemiology and technology. In parallel to this they have taken account of observations by the various stakeholders and institutions concerned, gathered in particular during the hearings and interviews. Based on these various elements they have formulated eight options for the future. The objective is to improve the CAHP'S functioning and tools. For FESASS some of these options are essentially interesting but their manner of implementation has to be specified, others require more in-depth analysis in order to measure their actual impact. In addition to these options, other measures may be proposed in the light of the experience of our member organisations.

Interesting options requiring further clarification

- **Alignment of Community legislation with the OIE recommendations / standards / guidelines (option A)** has been proposed in order to improve the transparency and international acceptance of the European rules. With its animal health code the OIE in fact has a body of standards that is recognised at the world-wide level.

FESASS is in favour of simplification of Community legislation in the areas in which this is possible and reasonable. It even formulated this request in its statement on the evaluation of the CAHP in September 2005. Community legislation in the veterinary area is very significant and rests on an impressive number of regulatory texts. This experience reflects the high degree of integration of the European Union in the area of animal health. But **a simplification exercise would strengthen the efficacy of these rules while facilitating its understanding and identical application throughout the European Union.**

Reconciliation of the prescriptive frameworks of the European Union and the OIE would allow this simplification exercise to begin. But on the one hand the OIE rules do not cover all European veterinary and health law and on the other hand fairly noticeable differences may exist between these two legal frameworks with regard to certain requirements. It will consequently be necessary to specify the development possibilities while making sure not to impose on livestock farmers and veterinary services of the Member States requirements unsuited to the context of European livestock farming.

- **The adoption of integrated electronic systems for the Community procedures applied to the movement of animals (option B)** has been proposed in order to strengthen traceability and guarantees with regard to certification. **FESASS is considering this proposition with substantial interest, but it supports fully the remarks of the evaluators on the necessity of carrying out prior feasibility and impact studies** in order to determine exactly the technical and security conditions to be met before implementing such a mechanism.

FESASS repeats that **electronic identification will only be truly interesting if the livestock farmer can apply it himself and at a reasonable cost.** Similarly it regards the desire to substitute a European database for the national databases as relatively uneconomic. On the other hand, **the creation of links between these national databases, allowing the exchange**

of data between the relevant departments of the various Member States, should already constitute a priority for the CAHP.

- **The improvement of intra-community trade in live animals (option C)** is aimed on the one hand at minimising the movement of live animals and replacing it with free trade in animal products and on the other hand at simplifying the certification mechanism for trade. This option has already been the subject of comment in the section devoted to the overall strategy on reduction of movements of live animals. **As regards simplification of the certification procedure for intra-community trade, FESASS considers that this should be a priority and that recourse to a single certificate, valid for national and intra-community trade, would constitute a major step forward** which would facilitate trade and strengthen the efficacy of certification. Moreover, such a measure would finally ensure consistency between the Community regulations and the logic of the Single Market: an animal suitable for being moved freely within a Member State should automatically have the same possibility throughout the Union with the same documents.
- The objective of **rationalisation of the committee procedures (option D)** is to reduce the number of “management” texts having to be submitted to the Standing Committee on the Food Chain and Animal Health (SCFCAH) in order to simplify and shorten the procedure of adoption of legislative acts which fall under the competence of the Commission. **FESASS is favourably disposed towards such an approach because numerous texts do not require to be submitted to the SCFCAH**, which should focus on the most important decisions in order to evaluate all their consequences.
- **The control of illegal imports and fraud (option E)** could be improved as a result of the growth in / reinforcement of checks at the border inspection posts. This proposal is interesting but inadequate. **It is certainly necessary to obtain the guarantee that more effective and standardised checks will be performed at the borders.** However, the solutions proposed in order to obtain this result (such as the training of customs officers and veterinary inspectors) are not sufficiently aggressive. **FESASS considers that the best guarantee in this context would consist of the creation of an actual Community body responsible for protection at the borders.**

Furthermore, the objective should be to **make illegal imports uninteresting**. For this purpose it is necessary to **heighten consumer awareness so that they will continuously demand the same guarantees on imported products as on European products**. It is also necessary to **adopt a repressive Community framework that ensures the harmonisation of penalties throughout the Community**.

These various proposals necessitate a new transfer of Member State competence to the Union. FESASS is assessing the difficulties of such an exercise. However, these proposals do not simply cover health safety but safety in the broad sense. They should therefore be examined urgently by the Community Institutions because enlargement to include Rumania and Bulgaria will again extend the Union’s borders and in particular will bring them closer to areas of turbulence and social disorder, which by their nature aggravate border risks.

- **The support for bio-safety measures on farms (option G)** certainly constitutes one of the most interesting options in this report, although the details of its implementation and the

means used will have to be detailed. **For FESASS three working directions could be followed here:**

- **It is a matter firstly of encouraging the adoption of good livestock farming practices in matters of hygiene and control of health risks on the farm.**
- **It is then a matter of encouraging the training of livestock farmers as “first sentry” on the farm in order to facilitate identification and notification of the most serious pathology with the shortest possible delay.**
- **Finally, the implementation and maintenance of collective organisations of livestock farmers would efficiently complete this mechanism.**

These are specific measures which, if implemented collectively, would make it possible to achieve better overall control of the risks, because the objective should indeed be a joint approach. In fact, given the contagiousness of most of the diseases that concern us here, **the preventive measures must be adopted by all livestock farmers with equal intensity and with the same degree of vigilance.** If not, the quality of the measure will be seriously reduced.

This fact argues in **favour of the institution of a genuine preventive philosophy** including within the legal framework of the CAHP in order for the rules to provide more encouragement for the implementation of risk control measures. It is essential for this approach to be generalised to all levels, whether this is in the context of international co-operation, protection of the Union’s boundaries, or movement of live animals and their products within the Community and of course within the holding. Community law does indeed include in its applicable texts provisions of a preventive nature, but it would be proper to strengthen them where necessary and to make them consistent. An evaluation of the implementation and impact of the existing measures would be useful.

However, it will be essential **not to respond excessively. There is a technical and financial limit beyond which it is not possible to proceed.** For this reason it is desirable for risk control in relation to animal health to be based in the future more on a prior cost/benefit evaluation of the measures adopted.

Options to be clarified

- **The negotiation of export conditions at the Community level (option F)** also implies a new transfer of competence in favour of the European Commission. The implementation of this provision would not appear to be easy as historical bilateral relations tie certain Member States with certain third countries and it is not desirable to compromise this entitlement. It is therefore important to analyse in depth the consequences of such a choice. It is not FESASS’s task to express an opinion on the requirements and conditions of such an approach.
- **The provision of assistance to third countries (option H)** by the Union in order to assist such countries in their efforts to satisfy the European standards constitutes the last option proposed by the evaluators. Implementation of this proposal would have the advantage of encouraging action on health and the search for a better situation of the herd in those countries. However, this approach is very optimistic, the more so since the Community budget potentially available for this type of support will be limited and should only come

from the co-operation fund and absolutely not from the Veterinary Fund, the purpose of which must remain the defence and improvement of the health situation in the Union. **In this context, FESASS considers that action in favour of the Union's neighbouring countries should be favoured, provided that it focuses on combating the most serious exotic diseases.** Before employing substantial resources in such a step the ability of the third countries concerned to organise themselves and rally the livestock farming sector to adopt precise objectives should be evaluated.

Suggested additional options

The area covered by the CAHP is so vast that numerous other options are conceivable and FESASS believes that consideration should not stop at the current exercise. However, it wishes to make three additional suggestions.

- In terms of comprehensibility of the overall strategy and the anticipatory capacity of the CAHP, it would be very useful for a conference bringing together, at an interval to be determined, the representatives of the stakeholders in the food chain, the Community Institutions, the Member States and international organisations such as the OIE, WHO, FAO and the Codex Alimentarius, to review the epidemiological situation of the Union and the emerging risks. **This conference would then make it possible to analyse and redefine the priorities with regard to the needs and to plan preventive measures appropriate to the new threats.**
- For FESASS, the section concerned with management and control of the risks associated with Transmissible Spongiform Encephalopathy (TSE) is an important component of the CAHP. It is therefore important to integrate it in the overall consideration. Conscious of the need to develop the regulations applicable in this field, the Commission has presented a road map proposing various modifications. FESASS supports some of these. In general terms, **it is urgently necessary to abandon the current mechanism, which continues to be a mechanism of crisis management, in order to proceed towards a routine control mechanism for TSE.**
- It is essential for the Commission and the stakeholders to strengthen their collaboration in the creation, application and communication on issues of animal health policy. **Particular attention must be devoted to communication aimed at European consumers.** It is they who decide by their consumption choices that a particular level of animal health is adequate/satisfactory. It is therefore necessary for them to be well-informed about the significance of the efforts agreed to by the whole food chain and of their role in protecting the healthiness of the food purchased. It is also vital to explain the choices at the curative level, whether such decisions are about slaughter, isolation, restriction of movement or recourse to vaccination.

With a more effective finance mechanism

The financial and budgetary section of the evaluation occupies an important place in the report (almost half of the document is dedicated to these issues). This importance attached to the issue of financing the control of diseases (essentially the major epizootics) reflects the essential concern that led the Commission to order this comprehensive study. The question

asked by the Commission is to research the possibility of savings in animal health. Certainly this exercise was naturally necessary after the major health crises of recent years, the costs of which were exceptional. It was also necessary in view of the criticism expressed by the European Court of Auditors. But the weight of this budgetary preoccupation is such that it places a burden on the overall study and limits its scope.

The costs borne by the European budget at the time of the various episodes of CSF, FMD and Avian flu are indeed impressive but they result from three incontestable facts:

- the source of contamination on each occasion was due to an exogenous source falling therefore under the responsibility of border protection;
- the economic consequences of the decisions on control were considerable for the livestock farming sector and for the economy as a whole. They were much higher than the sole costs assumed by the Union and the Member States. Thousands of farms saw their production tool – very often the fruit of lengthy genetic selection – totally destroyed or immobilised for quite a long period;
- the CAHP constitutes one of the Union's most integrated policies. It is therefore logical for the major part of its funding to be chargeable to the Community Budget.

In the light of these elements, FESASS recalls that the **public authorities have in the past been able to assume their financial responsibility in matters of public health and animal health. There could be no question of the Union and its Member States effecting a disengagement inasmuch as this responsibility remains in full. Its nature and its scope are tied to the strong external aspects of certain diseases both in terms of public and animal health and in terms of economic and social consequences.** These external aspects are such that they can only be administered and reimbursed by the Community as a whole.

Moreover, although it is possible to criticise certain aspects of the operation of the Veterinary Fund, at the overall level its action has been very effective as, despite what has often been a difficult context, epizootic diseases have been rapidly curbed and then eradicated. In fact the principle problem is not the amount of finance raised but rather to have to use these funds. This is why **consideration should be focussed as a matter of priority on the means of financing a realistic preventive policy rather than on the means of achieving savings in the context of curative policy.**

The effectiveness of the Community financing mechanism will therefore have to be appreciated in the future on the basis of its ability to encourage preventive action and its capacity to support rapid control and eradication of epizootic diseases appearing in the Community territory.

The evaluators underline the fact that the current functioning of the Veterinary Fund does not encourage preventive measures in the case of the appearance of outbreaks of epizootic disease. There have apparently been certain instances of fraud identified by the relevant departments of Member States and/or Community Institutions. But these must not hide the fact that **for the vast majority of livestock farmers, the contraction of a serious disease on their farms constitutes a genuine economic, psychological and often social disaster.** The number of livestock farmers who have committed suicide following slaughter of their entire herd in the context of the battle against BSE bears cruel witness to the reality of this fact. This should not be forgotten.

For FESASS the Community and national authorities already have a sufficiently effective legal arsenal provided that it is implemented with determination in order to arrest any deviation in the case of epizootic disease.

However, it is desirable to improve the functioning of the Veterinary Fund and to supplement it with solidarity mechanisms in areas where the authorities are only called on to intervene in part or not at all.

Some modifications are necessary... but in a realistic way

As has been underlined by the European Court of Auditors and the evaluation, the methods of compensation by the Veterinary Fund are not satisfactory even if the most recent improvements made allow better legitimacy. **It is in fact necessary to have a compensation mechanism which will make it possible to determine rapidly what the compensation will be when certain administrative measures are taken.** This information is important for livestock farmers but also for the public authorities that have to be able to make advance budgetary provisions for the consequences of epizootic diseases.

With regard to the proposal to create a cost-sharing regime, FESASS observes that the current functioning of compensation is already similar to such a system. On the one hand livestock farmers bear the resulting costs with regard to prevention as well as a considerable part of the costs at the venue of the outbreak (principally the costs associated with production losses) and the costs associated with restrictions on movements in restricted areas. On the other hand the European and national public authorities take on the home costs as well as part of the costs of detection and surveillance. **FESASS considers that any implementation of a new mechanism should take care not to call this apportionment and the major role of the European Veterinary Fund into question.**

It notes that the criteria established by the evaluators for studying the possibilities of creating a harmonised cost-sharing regime does not take sufficient account of the external economic and social aspects of the principal diseases. The same applies to the necessity of having a degree of flexibility in order to take account of the agricultural structures of the Member States and the potential differences in impact from one region to another. Certainly these elements have been incorporated into the analysis, but the quantification of their relative importance has not been specified.

With regard to the various characteristics of one or more cost-sharing regimes examined by the evaluators, **FESASS considers that it is difficult to reflect in depth about this as long as the major trends of the future CAHP have not been decided upon.** The choices made with regard to priorities, management method and structuring of the health sector will inevitably have varying financial consequences which will also impact differently on the parties involved.

Nevertheless FESASS wishes to specify that **the design of a new complementary tool should not be based on the behaviour of a few isolated fraudulent parties, but on the reasonable and realistic expectations of livestock farmers as a whole.** Therefore, **the mechanisms inspired directly by insurance mechanisms, such as the deductible and the bonus, do not appear realistically suited to the problems** because they are based on an approach to health that is too micro-economic.

What is needed is a transparent mechanism that will guarantee fair, rapid compensation of livestock farmers for the total of their losses with the exception of price losses¹. On the other hand it is not conceivable to extend the application of such a mechanism to other sectors of the food chain as the losses are not of the same nature and of the same size.

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Amendment of the CAHP and its tools is therefore necessary in order to improve its efficacy and to enable it to take up the new challenges. The current health crises (avian flu and bluetongue – catarrhal fever) testify to the importance of having such a policy. FESASS at the European level, its member organisations at the Member State level, and the livestock farmers on their farms, are ready to participate fully in this.

But it is the health chain as a whole (organised livestock farmers, veterinary practitioners and public veterinary services) that must be mobilised in order jointly to devise and apply this reformed policy.

The more the various players in this health network are trained in and operate on the preventive side, the less costly the curative action will be for the European Union and livestock farmers as a whole.

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¹ Only market prices before the crisis should be use as reference for calculating the production losses and culling compensation.