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ADDENDUM TO OUTCOME OF PROCEEDINGS

of : Working Party of Chief Veterinary Officers
on : 22 February 2008

Subject : Community Animal Health Strategy
- CVOs "Adelbrecht Process"

Delegations will find attached the document reflecting the outcome of the Workshop III (Trade).

Community Animal Health Strategy 2007-2013

CVOs Workshop TRADE

Globalisation results in an increased pressure of imports on the Community market, all the more so as the European Union (EU) is the biggest food importer in the world. It is a factor that can lead to the appearance of emerging and re-emerging diseases. The EU and Member States' (MS) responsibility is to protect the Community from potential animal and public health risks arising from international trade of live animals and their products. By using appropriate measures on imports, they must ensure a high level of protection, without establishing undue technical barriers and disrupting cross-border movements of people and agricultural products.

It is also important that regulated conditions of production in the EU do not penalize European producers. Some European actors in the field of agricultural and food production consider that risks applying to imports are on the whole underestimated. They often refer to a problem of disparity between constraints applying to European producers and those applying to exporting third countries. Moreover, a high level of animal health and food safety within the EU is required to ensure that European farmers and companies can have access to export markets and remain competitive.

As regards trade, the Community Animal Health Strategy 2007-2013 should give a high priority to guaranteeing that agricultural and food-industry products imported from third-countries are safe and comply with European standards.

In order to provide general guidance to the Commission in the preparation of its action plan, the CVO's "TRADE" workshop will focus on the following key issues (intended to cover the areas defined in document "st15019.en07"¹) :

1. EU imports requirements and Community influence at international, multilateral and bilateral levels.
2. Improvement and evaluation of risk management in exporting third countries.
3. Improvement of border biosecurity (in particular, inspection conditions upon imports).
4. Towards an export strategy at Community level.

This document gives no guidance to the Commission in relation to **intra-Community trade**; however the Commission will include this very important aspect in the preparation of its action plan.

¹ Outcome of proceedings CVO working party – 7 November 2007.

1. EU import requirements and Community influence at international, multilateral and bilateral levels²

1.1. Convergence of EU legislation with international standards

In accordance with the WTO Agreement on the application of sanitary and phytosanitary measures (SPS Agreement), the overall principle is that **scientifically assessed risk** is the only criterion that can be used to justify import measures.

The EU considers the maintenance of Animal Health Services in line with international standards (in terms of legislation, structure, organisation, resources, capacities, the role of the private sector and paraprofessionals) as a minimum goal.

The EU legislation is already largely based on World Organisation for Animal Health (OIE) / Codex recommendations / standards and guidelines, respecting its commitments within the framework of the SPS Agreement. It is important for relations between international organizations and EC to evolve further regarding convergence of those standards.

Where OIE/Codex have adopted standards, the EU measures will be compliant when based on these standards. However, if there is a scientific justification, the EU may introduce or maintain sanitary or phytosanitary measures which result in a higher level of sanitary or phytosanitary protection.

Community main objectives :

- *to seek when appropriate convergence of EU measures and international standards (OIE, Codex) while ensuring a high level of protection of animal and public health;*
- *to promote the EU approach in negotiation with trading partners in third countries;*
- *to promote EU standards in the OIE/Codex, including collaboration with equivalence agreement partners in the appropriate international fora.*

² This section should deal with the following areas defined in document “st15019.en07”:

- *Improvement of biosecurity at EU borders by applying risk-based techniques ;*
- *Improvement of technical cooperation, trade guarantees and equivalence assessment with a view to convergence on international standards (OIE/CODEX).*

1.2. Application of “equivalence” and/or compliance principle

According to the principle of equivalence (which is laid down in the SPS agreement - Article 4), the exporting country must objectively demonstrate to the importing country that its measures achieve the importing country’s appropriate level of sanitary or phytosanitary protection.

However, systems or standards combinations, which do not necessarily guarantee the same level of protection, can sometimes be recognized as equivalent (for pragmatic reasons or in order to take into account the reality of trade flows). As a result, it is often considered that arrangements granted to third countries are more favourable than rules applying to EU producers.

Main Community objectives :

- *to improve communication concerning its requirements vis-à-vis trading partners (third countries);*
- *to improve harmonisation and transparency in the implementation of these principles vis-à-vis Member States;*
- *to ensure that the recognition of equivalence will not challenge EU measures or systems.*

1.3. Importance of risk assessment for imported products

Animal and public health requirements in connection with trade in animals and animal products must be based on science and precaution without leading to unnecessary barriers to trade. Areas in which acknowledged eradication programmes are in force, or which are free of certain prioritized diseases, should be given provisions for maintaining an acceptable level of safety in relation to the introduction of animals or animal products. These are the principles behind the WTO/SPS agreement, which is very much at the heart of the EU approach in dealing with third countries.

In order to minimise the threat of major animal diseases, it is essential that controls on imports are risk-based.

The European Food Safety Authority and the European Medicines Agency mobilise and coordinate scientific resources from throughout the EU to provide high-quality and independent scientific advice and risk assessments. This provides risk managers with a sound foundation for animal health policy. It is important to set uniform/standardized methodology for risk assessment.

Concerning public and animal health risks related to imports, a risk assessment deficit can be noted.

Main Community objectives :

- *to promote a scientific approach to the assessment of sanitary risks related to imports (collaboration between Commission and EFSA and MS, as appropriate).*

2. Improvement and evaluation of risk management in exporting third countries³

2.1. Cooperation with developing countries and application of special and differential treatment

It may be difficult for certain developing countries to comply with EU standards and thus engage in trade. Therefore, total or partial exceptions can be granted on request to developing countries in order to preserve their export capacities (application of the special and differential treatment, which is laid down in the SPS agreement - Article 10). These exceptions must however be of a nature that does not increase the animal health risks to the Community. However, providing developing countries with technical assistance (via the external co-operation instruments, training, knowledge sharing and support through regional expertise, support for research, upgrading of laboratories) is important to help them improve risk management.

Main Community objectives :

- *to improve cooperation with developing countries, providing them with technical assistance to improve their veterinary infrastructure and/or carry out pilot studies in field conditions (as appropriate), to help them to understand and adopt EU animal health requirements for imports and strengthen their ability to fight against diseases of concern at source;*
- *to prioritise this cooperation, taking into account topics of interest for the EU in preventing the introduction of pathogens of concern via trade or other possible pathways;*

³ This section should deal with the following areas defined in ST 15019.en07” :

- *Improvement of biosecurity at EU borders by applying risk-based techniques ;*
- *Improvement of technical cooperation, trade guarantees and equivalence assessment with a view to convergence on international standards (OIE/CODEX) ;*
- *Suggest improvement of cooperation mechanisms with third countries and stakeholders in the biosecurity and innovation field ;*
- *Evaluation of structural aspects of farming, impact of intensive farming systems and high number of animals or “integrated production” / liability of food business operators.*

- *to improve coordination between different administrations and between various instruments available for technical assistance (DG SANCO, DG DEV, AIDCO, DG TRADE, governmental cooperation, NGOs, etc ...)* ;
- *to promote cross border cooperation and possible sharing of resources and exchange of information on possible disease threats.*

2.2. Evaluation of the compliance of exporting countries with international standards and EU requirements

In order to assist OIE member countries in strengthening their official veterinary services and in verifying their compliance with OIE quality standards, OIE has developed an evaluation tool, "Performance, Vision and Strategy (PVS)". When so requested by a member country, evaluations can be conducted by an OIE official team of assessors through OIE's official procedure. It makes it possible to identify gaps between international standards and the quality level of the national veterinary services.

By carrying out inspections in third countries exporting to the EU, the Food and Veterinary Office (FVO) evaluates compliance with the requirements of EU legislation and provides elements of risk analysis.

Certain third countries already apply to their imports a strict risk analysis approach. Their approach could when appropriate be considered as a reference.

Third- country risk assessment and inspection conclusions should be accompanied by a specific recommendation or by guidelines on how to protect the EU from potential threat. In parallel, illegal import should be taken into account.

Main Community objectives :

- *to encourage the FVO to take into consideration PVS evaluations (when available) in third countries or to carry out other checks (e.g. compartmentalisation) during scheduled or other types of inspection visits;*
- *to improve follow- up of the outcomes of FVO audits;*
- *to keep the Member States regularly informed through the CVO group and/or SCOFCAH of FVO reports in third countries and assist risk assessment ;*
- *to achieve harmonization of the authorized lists of third countries and establishments (e.g. for feed and animal by-products).*

3. Improvement of border biosecurity⁴

The challenge is to improve border biosecurity without unduly disrupting cross-border movement of people and agricultural commodities. The outcomes of risk assessments and inspections in third countries should enable the Community and MS to better target border controls.

The improvement of European Union border biosafety and of risk management is important in the Member States having borders with third countries, at airports and harbours.

3.1. Identification and tracing

The EU traceability framework (identification systems, labelling, and TRACES, the Community Trade Control and Expert System) is aimed at improving the quality, accuracy, availability and timeliness of the provision of data on live animals, food from animal origin and feed. It allows for traceability across MS borders. TRACES must achieve its objective of on the one hand becoming a single portal for all veterinary data about trade and secondly, of guaranteeing full traceability in intercommunity trade.

It is very important to develop and extend the use of information systems such as TRACES in order to be able to base risk analysis on reliable statistical data.

⁴ This section should deal with the following areas defined in ST15019.en07 :

- *Improvement of biosecurity at EU borders by applying risk-based techniques and improvement of tracing tools (animals and animal products, including animal by-products and food) ;*
- *Assessment of which control legislation (relating to trade or animal health) is missing (rules that should apply to prevent unnecessary spreading of diseases) and incentives to reduce the risk of animal health threats.*

Main Community objectives :

- *to achieve successful implementation by Member States of TRACES applications;*
- *to encourage the Commission in the follow-up of the Cascais recommendations, in particular in connection with RASFF, interoperability with national and (if possible) third countries databases, connection with the custom databases (TAXUD), electronic certification, etc;*
- *to invite the Commission to provide sufficient resources to attain the above objectives.*

3.2. Border inspection and control conditions

The main safety feature of border controls on declared imports for animal health purposes is the document check, and the EU is dependent upon the accuracy and honesty of the declarations in these documents.

There seems to be a need for an increased harmonisation of methods of conducting border checks in MS (identity checks and physical checks).

TRACES application and risk analysis conclusions should be used :

- to target higher risk consignments (products/countries) ;
- to assist in the selection of containers to be examined physically ;
- to implement the principle of frequency reduction ;
- to plan import control on risk analysis;
- to better target imports that should be subjected to increased levels of official controls, and to facilitate centralized coordination by the Commission.

In order to strengthen food safety, the focus should be on food fraud. All Member States are faced with food fraud cases and this will remain an increasingly important problem if resolute measures are not taken at the EU level. Adulteration of food is usually very profitable, but causes only minor harm to an individual consumer or the harm becomes visible only much later. We suggest to the Commission that it take the initiative in solving this acute problem.

Main Community objectives :

- *to ensure harmonization of control methods with training programmes for BIP inspectors ;*
- *to support the initiative of the Commission to revise the current legislation on imports (Directives 97/78 and 91/496) ;*
- *to invite the Member States, with the Commission, to take into account the conclusions and recommendations stated in the FVO global report relating to BIP audits (cf. Working Party meeting planned on the 2008/02/12).*

3.3. Coordination of agencies / services regulating imports

Some weaknesses concerning cooperation between customs and veterinary services have been identified by FVO inspections in several MS⁵.

Veterinarians need to work more closely with customs, both at border inspection posts and at points of entry into the Community where goods or animals may enter illegally”. “There are fundamental questions concerning: the assessment of risk; trust between national governments; and what can and cannot be accomplished at border inspection facilities and other points of entry (efficiency/effectiveness).

Main Community objectives :

- *to optimise coordination (and information sharing) between services regulating imports (customs/veterinary);*
- *to step up the fight against illegal imports.*

⁵ Final general report of missions carried out in 15 Member States concerning illegal imports of products of animal origin and live animals (2004-2005) – DG(SANCO)/8501/2006-GR Final.

3.4. Controls on travellers (passenger luggage and personal imports)

As regards the implementation in MS of measures concerning personal imports (products for personal consumption, pets, traffic of animals, etc...), FVO inspections identified some shortcomings related to: cooperation and exchange of information / training of the authorities involved, provision of information to travellers, sanctions and organisation of controls. All available measures are not being fully utilised to prevent and detect illegal imports in passenger luggage or means of transportation⁶.

Main Community objectives :

- *to improve and extend EU and national communication campaigns for travellers⁷, involving airlines and sea transport companies, and involving custom services.*

⁶ Final general report of missions carried out in 15 Member States concerning illegal imports of products of animal origin and live animals (2004-2005) – DG(SANCO)/8501/2006-GR Final (page 11).

⁷ See for example, final report of “customs working party on avian influenza”.

4. Towards an export strategy at Community level⁸

The high level of animal health within the EU makes a key contribution to ensuring that European farmers and companies remain competitive and that they have genuine access to the export markets. As unjustified sanitary barriers tend to be increasingly important, the Community must help European companies, often small and medium-sized enterprises, to compete fairly in those markets.

It is of great importance to provide favourable conditions for the EU livestock and food industries to export their products to the other countries. Some third countries set very strict requirements for products imported from the EU, making export impossible because of unattainable requirements (for instance the requirement for some disease tests which cannot be performed in any EU laboratory (*Bacterium anitratum*)).

While import conditions for food of animal origin and animal products are largely harmonised at EU level, this is not the case for exports.

As concluded by the Council in June 2007 (10252/1/07), the negotiation and conclusion of trade agreements with third countries is an area of exclusive Community competence, in accordance with Article 133 of the EC Treaty. In 1995, the Council authorised the Commission to conduct negotiations on bilateral agreements between the EC and third countries on SPS measures. The Potsdam and Rosendaal working parties have been established to assist the Commission in conducting these negotiations.

⁸ This section should deal with the following areas defined in document ST15019.en07 :

- *Suggest improvement of cooperation mechanisms with third countries and stakeholders in the biosecurity and innovation field ;*
- *Evaluation of structural aspects of farming, impact of intensive farming systems and high number of animals or “integrated production” / liability of food business operators.*

Main Community objectives :

- *to invite the Commission to respond to the mandate given by the Council in June 2007, and to establish working procedures with Member States for negotiating sanitary conditions and protocols with third countries ;*
- *to invite the Commission to pay the greatest attention to the SPS matters in the framework of the “new market access strategy”, through close cooperation with Member States and inter-services coordination with all the DG involved.*
- *to invite the Commission to promote the principle of reciprocity in gaining access to export markets (for example prelisting of establishments).*

