

**FAO WORKSHOP ON
SOCIAL AND ECONOMIC IMPACTS OF
AVIAN INFLUENZA CONTROL**

**8-9 December 2004
Siam City Hotel
Bangkok
Thailand**

EXECUTIVE SUMMARY

Background and objectives

The workshop objectives were to identify potential social and economic impacts of alternative Avian Influenza control programmes and suggest a role for FAO in contributing to social and economic evaluation. It also tried to identify topics for studies and strategic planning that require attention and funding by national governments and donors. Participants came from Cambodia, China, Indonesia, Thailand, Philippines, Vietnam as well as the FAO headquarters and regional offices. Public sector (livestock services), private sector (industrial to small scale) and civil society were represented.

A synthesis of findings

Approaches to control

AI is an emerging disease of animal origin. The need for a medium to long term view is recognised. Countries are taking a range of approaches to strategy – planned, opportunistic, or laissez faire. Elements of strategy can include: stamping out of outbreaks that occur; compensation / “support” / credit; surveillance / monitoring; import control; the use of vaccination; compartmentalisation.

Impacts

Social and economic impacts result from

- animal health concerns and measures
- human health concerns and measures
- loss of livelihood and structural change

Animal health measures affect

- costs of mortality, morbidity and production loss following infection
 - investigation, culling, compensation, training, vaccination
 - restocking, new biosecurity
 - cost of lost business/ trade
- institutional response and communication
- immediate vs. long term interventions/ solutions
- perceptions of farmers

Human health concerns seem to be driving many aspects of the response to Avian Influenza. Human health measures affect

- fatalities and the cost of their prevention
- poultry consumption and hence production
- perceptions regarding food safety and food security
- trade relations between trading nations

Livelihoods and structural change impacts could include the following:

- impact on livelihoods resulting from changed management systems to accommodate higher biosecurity
- community costs from e.g. rearrangement of markets
- organisation and costs of restocking
- new structure for the poultry sector with some former players excluded
- perception of personal insecurity/ uncertainty
- a change in availability of inexpensive and accessible animal protein

Cross-cutting Issues

- Control of AI, or any major TAD, goes beyond animal health, requiring co-ordination of many government ministries and non-government players. This is particularly true of a zoonotic disease.
- There is a lack of clarity about the roles of stakeholders in planning, implementing and financing long-term control and prevention measures, affected by

- the need for information sharing, trust and defined responsibilities
- lack of information needed to address strategic planning – this would include information on epidemiology (risk, diagnosis, etc), disease ecology (aetiology, source, spread) and economic impact (complete costs of containment and future control)
- lack of agreement regarding how and when to ask for technical assistance from institutions such as FAO
- In order to develop effective policies, the policy process could be expected to include
 - stakeholder involvement in defining policy and identification of roles (control, compensation, prevention)
 - analytical capacity for objective policy development
- Macroeconomic development may be affected by epizootic disease as a result of shocks to economic stability and growth. Changes in the poultry sector may affect the contribution of agriculture to GDP, the development of rural areas, food security, international trade, and foreign investment.

Social and Economic Topics for Further Attention

The topics listed here would be an important component of national and regional strategic planning for long term AI prevention and control. The information and analytical capacity developed during the execution of such studies would have a positive impact on strategic planning for other TADS.

Impact of proposed or ongoing Avian Influenza control programmes

This assessment would be carried out for the predominant control strategies (e.g eradication vs containment; compartmentalisation; preventive vaccination), to quantify economic variables and assess livelihoods impacts. It would compare impacts of alternative strategies, highlighting both the advantages and disadvantages of different control measures and the very high potential costs of having delayed or incomplete control measures. It would take into account possible externalities, and the implications of the need for long term finance.

Poultry sector structural change in response to AI control measures

This addresses the changes in structure and governance of market chains and differential impact on market participants following from policy changes to improve disease control at individual producer and sector level. It would balance the factors of epidemiologic risk and economic impact. It would consider exit strategies for those unable to cope with increased biosecurity requirements.

Design for financing the control of Avian Influenza

This area of work is intended to assist both public and private sector players to examine options for financing of AI control that are effective, efficient and equitable. Since national situations are very different, it would use specific examples to illustrate the principles of

- identifying stakeholders and their potential roles in financing AI control
- identifying and evaluating options for revenue generation
- using different methods and instruments to manage and access funds

Macroeconomic development and rural livelihoods impacts

Although a less immediate priority, this topic is important in the broad context of agricultural planning. Changes in the poultry sector brought about by AI and its control both affect and are affected by food security concerns, increasing urbanization, rising incomes, etc.

FAO's role in social and economic analysis for strategic planning

FAO could most effectively work by participating in comparative regional analysis using common methodologies, in order to provide a broad view of the economic implications of alternative approaches. This together with dialogue with national governments and regional co-ordination bodies would provide assistance in policy development. FAO's support will be of most value if it is backed by co-ordinated requests from affected and at-risk countries for assistance at the national and regional levels, and co-ordinated assistance from donors.