



TECHNICAL ITEM II

Strengthening multisectoral cooperation to
implement a new vision of an alternative
compensation policy that supports the stamping out
policies for the control and eradication of high-
priority animal diseases in emergencies and
pandemics

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Technical Item II:
Strengthening multisectoral cooperation to implement a new vision of an alternative compensation policy that supports the stamping out policies for the control and eradication of high-priority animal diseases in emergencies and pandemics

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1. Introduction

The increasing incidence of high-priority animal diseases threatens both, animal and public health, with significant socioeconomic consequences. Animal Diseases such as Foot and Mouth Disease (FMD), African Swine Fever (ASF), Highly Pathogenic Avian Influenza (HPAI) and Brucellosis have a significant impact on animal and public health, as well as on trade. The presence of these diseases also indicates the fragility of existing control measures and compensation systems.

The emergence in Europe of diseases such as, Peste des Petits Ruminants (PPR) and FMD indicates that diseases which once have been considered exotic to certain regions, now appear without any warning, due to globalisation and climate change.

Depending on the disease, animal health policies for eradicating the disease may involve total stamping out by culling all animals in the herd, or just partial stamping out. Such strategies impose significant financial and emotional burdens on society. To alleviate these burdens, governments establish partial or full compensation policies to reimburse farmers for their losses and encourage the early reporting of diseases. However, many Members face challenges in implementing fair, efficient and transparent compensation systems.

The main challenge lies in designing alternative compensation policies that are adequate and sustainable, and that promote cooperation among all involved stakeholders. Strengthened multisectoral institutions and farmers' cooperation with public and research institutes is essential to ensure more sustainable and resilient livestock production¹.

This report examines the principles, challenges, and practical implementation of alternative compensation policies within a framework of multisectoral cooperation. Focusing on national experience implemented in Cyprus, it explores how strengthened collaboration can support the stamping-out policies required for controlling and eradicating high-priority emerging and re-emerging animal diseases.

2. Rationale for Compensation

The rationale for compensation systems is based on disease control measures combined with socioeconomic stability. In an increasingly globalised animal production environment, diseases that negatively affect livestock productivity and trade, such as FMD, ASF, HPAI, have profound implications for national, regional, and international economies, as well as for food safety and security. Compensation serves as a technical and social instrument, ensuring compliance with World Organisation for Animal Health (WOAH) standards² and European Union (EU) legislation that are essential for maintaining animal health and market integrity, and for protecting the well-being of people and the welfare of animals. It also encourages early reporting and facilitates cooperation and trust during outbreak management.

Without compensation, farmers are reluctant to report changes in disease trends due to the fear of totally bearing all financial cost on their side. This leads to under reporting or delayed reporting, resulting in accumulated outbreaks and uncontrolled disease events. Members that notify outbreaks rapidly and implement control measures are able to maintain their official disease status, negotiate regionalisation/zoning, and lift trade restrictions more quickly.

Therefore, compensation policies must be based on transparency and the timely provision of high-quality reports, which are two of the fundamental principles of WOAHA's disease control framework. Farmers are more likely to cooperate with disease control measures if they know that their losses incurred due to culling and disposal of animals will be fairly compensated.

Furthermore, compensation supports the broader objectives of public health and the prevention of zoonotic diseases. Animal diseases such as brucellosis, HPAI and bovine tuberculosis pose significant zoonotic threats

and have the potential of undermining human health and consumer confidence as regards the safety of products of animal origin. Compensation systems linked to disease surveillance and reporting thus reinforce the preventive dimension of the One Health approach³, urging stakeholders to act promptly, responsibly, and in line with Veterinary Services and international standards.

3. Factors which Influence Compensation Schemes Effectiveness

Despite their importance, compensation schemes often suffer from weaknesses intrinsic to their design and implementation. Many Members face legislative deficiencies, such as the absence of a legal basis to support compensation mechanisms. In other cases, schemes are poorly designed or underfunded, limiting their reach and sustainability. Past experiences of uncompensated losses contribute to farmers' distrust of the authorities, which in turn leads to reluctance to report suspected cases and cooperate during outbreaks. These weaknesses directly undermine the effectiveness of compensation mechanisms and, consequently, the success of disease control policies and eradication strategies.

4. Strengthening Multisectoral Cooperation

Strengthening multisectoral cooperation is essential to create a sustainable and robust compensation policy. Animal disease management intersects with multiple sectors at both national and international levels.

In Cyprus, the Animal Health Law provides for compensation for farmers in the event of an animal disease outbreak. The amount of compensation is linked to the categorisation of the disease according to the EU Animal Health Law. When an animal disease management plan is initiated, the issue of providing compensation is examined by the relevant channel at ministerial level (the ministries of agriculture and finance), which then begins to implement this option procedurally.

As part of the implementation of the disease management plan at field level, officials from the Veterinary Services coordinate with the police, environmental authorities, local authorities, fire brigade, farming associations, farmers, the veterinary association, private veterinary practitioners, food business operators, insurance companies and non-governmental organisations to ensure the proper implementation of the relevant disease contingency plan.

This concerns i) the movements restriction measures to be put in place, ii) the infected farms, iii) the animal stock present on the farm, as well as on any other farm considered as infected and whose animals are to be culled, iv) the preparation for culling and the proper disposal of animals corpses, as well as any other items that need to be disposed of, v) the culling implementation, vi) the animal by products disposal, vii) the cleaning and disinfection of the farm premises, and the viii) estimation of compensation amounts and their release to respective farmers.

Once the animal disease incident has been managed, the compensation to be availed to the farmers is decided by the relevant Veterinary Services' compensation committee. The calculation of the compensation amount is done on the basis of the number of animals culled, according to certain criteria set well in advance of the disease outbreak.

Following this, the compensation is released to the farmer by the government. However, if it is proven, beyond reasonable doubt, that the disease occurred due to the farmer's negligence in implementing the necessary biosecurity and disease prevention measures at farm level, the compensation may be recalled.

This collaboration ensures that compensation policies are both financially viable and socially acceptable. At regional and international levels, alignment with the EU, the Food and Agriculture Organization (FAO), the World Organisation for Animal Health (WOAH) and the World Health Organization (WHO) is indispensable. These organisations provide guidance and technical expertise, facilitate cross-border coordination, and address policy harmonisation.

By encompassing the interconnectedness of the animal, human and environmental health sectors, the One Health concept serves as the foundation for this collaboration. The One Health approach recognises that disease dynamics extend beyond administrative boundaries. By linking humans, animals and the environment, the One Health approach can help to address the full spectrum of disease control, from prevention to detection, preparedness, response, and management and contribute to global health security. Improved cooperation between animal and public health authorities, as well as enhanced engagement with environmental services, research institutions and reference laboratories, is imperative.

Regional and international cooperation must be strengthened to harmonise policies. For instance, EU enforces a stamping-out approach to combat numerous diseases, whereas other countries either simply remove selectively the sick animals from herds or do nothing at all. Adopting the WOAHP Performance of Veterinary Services Pathway (PVS)⁴ provides a structured framework for assessing and improving Veterinary Services capacity, giving Members an extensive understanding of their strengths and weaknesses and developing recommendations using a globally consistent methodology, contributing this way to a more resilient compensation infrastructure.

5. Key Components of an Efficient System

The key components of an efficient compensation and disease control system can be summarised as follows: Firstly, **robust legislation is needed to provide the legal framework for enforcing disease control measures and promoting transparency**. These laws must define notifiable diseases and the responsibilities of stakeholders, establish clear eligibility criteria for compensation, and protect public and private interests, as set out in the new Animal Health Law, Regulation (EU) 2016/429⁵. At the EU level, the Animal Health Law is comprehensive and supports the EU livestock sector in becoming more competitive and achieving a safe and efficient EU market for animals and their products⁶.

Secondly, **early notification mechanisms must be in place**. Rapid reporting triggers a faster response and reduces economic losses. Thirdly, **preparedness supported by updated contingency planning, emergency funds, and training** ensures that the authorities can act promptly in times of emergency. Fourthly, **the compensation process must also be swift and adequate**; ideally, it should be completed within 30 days of the animal being killed, in order to maintain public trust. Finally, collaboration and **communication at all levels** are vital for preparedness, consistency, and accountability.

6. Alternative Compensation Policy

The concept of compensation is evolving to encompass more than just direct payments for culled animals, loss of income coverage, and financial assistance for restocking.

Alternative compensation policies could include, **timely disease reporting, quality and biosecurity scheme compliance labelling of the farms and of their products at market level, and preventive vaccinations**. Through this policy, diligent farmers will be rewarded with higher compensation for positive practices they implement, while those with poor practices are penalised. This method transforms compensation from a reactive financial mechanism into a proactive incentive system that rewards responsible animal health management and incentivise farmers to implement preventive measures.

Another innovative approach is **integrated livestock insurance schemes** where governments and private companies share the risk through subsidised animal health insurance schemes that can be public, private, or commonly mixed. Under this system, farmers are compensated swiftly through insurance payouts, consequently governments avoid unexpected large expenditures in short time periods.

Additionally, **mutual compensation funds managed by farmers' associations and Veterinary Services** promote trust and increase shared responsibility. These funds can be created from state funds and levies on farm size and production.

7. Cyprus Experience

The experience of Cyprus offers a good example of how compensation can be institutionalised within a well-defined legal and administrative framework. In Cyprus, the Veterinary Services act as the competent authority responsible for implementing the Animal Health Law 109(I) of 2001 and its amendments till 2023⁷. Article 11 of the Animal Health Law of 2001 sets out the conditions under which compensation is payable. Compensation is provided when animals die or are culled in the framework of implementing disease control measures, diagnostic testing, or infection with notifiable diseases that necessitate stamping-out. It also applies to the destruction of animal products during official control programmes. Importantly, the law excludes compensation in cases where violations of the law by the owner have contributed to the need for animal killing, thereby ensuring accountability and compliance.

The criteria for assessing the value of the animal and determining the maximum amount of compensation is performed by a three-member committee appointed by the Director of the Veterinary Services, comprised of two experts from the Veterinary Services and one from the Department of Agriculture. The committee determines compensation based on market value immediately before the disease event, considering factors

such as age, breed, production stage, and fitness. The market value is the price which the owner would normally have been able to obtain for the animal immediately before it became infected, or was slaughtered, considering its fitness, age, and quality and without deducting the loss of value due to the occurrence of the disease.

Animals value is estimated after been visually inspected by the three-member committee, immediately before the slaughter or culling, and the value of each animal is registered in an evaluation report. For some species, such as poultry and pigs, valuation is conducted by age group rather than individually, which improves administrative efficiency. This transparent methodology reinforces credibility and aligns with WOAHA standards on fair market compensation.

Specific value lists are in place for cattle, sheep, and goats. These market values are set up by another three-member committee, specifically appointed by the Director of the Veterinary Services for listing down the compensation values to be used. This committee is also comprised of two members from the Veterinary Services and one member from the Department of Agriculture. ⁽⁶⁶⁾ The values are revised twice per year. For example, cows up to five years old are valued between €1,000 and €1,500 depending on production stage, while older cows, heifers, bulls, and calves are valued according to detailed categories (Table 1). Sheep and goats are similarly evaluated based on their age, breed (improved, semi-improved and unimproved)⁽⁶⁷⁾ and stage of production (dry period and early gestation, late gestation, lactation). These detailed scales ensure consistency and objectivity in compensation, mitigating disputes and promoting transparency between farmers and the authorities.

Table 1. Cattle market values

Category	Market values (in euros)	Factors taken into account
Cows up to 5 years old	1000-1500	Production stage
Cows 5 years up to 7 years old	900-1200	Production stage
Cows > 7 years old	500-900	Production stage
Heifers 12 months up to 18 months old	600-1000	-
Heifers 18 months up to 24 months old	1000-1500	-
Bulls 12 months up to 18 months old	400-700	-
Bulls > 18 months old	800-900	-
Calves up to 3 months old	Up to 150	Age and sex
Calves 3 months up to 6 months old	250-550	Age and sex
Calves 6 months up to 12 months old	450-750	Age and sex

Cyprus also links compensation to specific disease control programmes. For the Category A diseases affecting terrestrial animals such as FMD, HPAI, which require immediate eradication through stamping-out according to Commission Delegated Regulation (EU) 2020/687⁸, all animals kept in the affected establishment must obligatorily be killed as soon as possible on the spot, within the establishment, in such a way as to avoid any risk of spreading the relevant category A disease agent, and compensation is provided to the farmer.

The 2013 Newcastle disease outbreak resulted in compensation payments of €485,180 for 200,024 broiler birds culled (Table 2), while a 2022 outbreak of HPAI required €81,524 in compensation for just 930 captive birds. These examples demonstrate the financial burden and operational importance of maintaining robust compensation frameworks.

Table 2. Compensation for culled birds during Newcastle outbreak in 2013.

	Number of broiler birds culled	Kilograms of culled birds	Average weight per culled birds	Euros for culled birds (kgx0,75x2,58)*
Farm 1	137.797	179.500	1,30	347.333
Farm 2	33.336	44.505	1,34	86.117
Farm 3	18.258	17.820	0,98	34.482
Farm 4	10.633	8.890	0,84	17.249
Total	200.024	250.715		485.180

* The price per kg for Farm 4 was € 2,587 as the culling was in November 2013 while for the other Farms was in June 2013.

For Category B diseases, such as brucellosis and bovine tuberculosis, Cyprus implements compulsory control and surveillance programmes in accordance with Commission Delegated Regulation (EU) 2020/689⁹. Confirmed and, in some cases, suspected cases are slaughtered under official supervision, with owners receiving compensation based on the animals' market value.

Furthermore, Regulation (EU) 2021/690¹⁰ establishes a programme for the internal market and the competitiveness of enterprises, including small and medium-sized enterprises, and defines co-financing limits for compensation within the EU to ensure fiscal sustainability. Under this regulation, EU reimbursement rates are capped at €1,000 per bovine, €125 per pig, €140 per sheep or goat, and at specific amounts for poultry and captive birds. This standardisation promotes equity, solidarity, resilience and financial discipline across Members.

The Cypriot model demonstrates how legal, technical and financial components can be integrated into a coherent system that supports disease control objectives while maintaining farmer cooperation. It shows that, when supported by clear procedures, compensation can sustain compliance, mitigate social resistance and protect public health and consumers. However, the effectiveness and on-going improvement of the system still depend on continued investment in veterinary infrastructure, rapid decision-making, and coordination among ministries and international institutions.

8. Challenges

Several challenges relate to achieving fully effective compensation systems. Financial sustainability is a particular obstacle in developing countries. Administrative bureaucratic procedures may complicate or delay payment processes. Inconsistent policy implementation between regions or countries further undermines trust, efficiency, and fairness.

WOAH and its Members should view compensation as an instrument of governance and partnership, not merely as a financial transaction. A new vision for compensation should embed it within the global One Health framework, emphasising shared responsibility, accountability, and prevention. This requires harmonisation of national legislation with international standards, as well as the establishment of regional emergency funds to facilitate a rapid response. International institutions should support these efforts by providing normative guidance and model frameworks, delivering technical assistance and legal support and funding Veterinary Services, contingency planning, research, and the promotion of investments in animal health through public-private-partnerships.

9. Recommendations

Countries should strengthen their legal frameworks and intersectoral cooperation to improve the effectiveness of livestock disease compensation schemes. By ensuring that compensation policies are thorough, transparent, and responsive, governments can instil confidence and encourage timely disease reporting among farmers and stakeholders, ultimately strengthening national resilience and animal health management.

At national level the key recommendations are the following:

- Develop comprehensive, transparent, and adequate legal frameworks to support compensation mechanisms for livestock disease losses.

- Institutionalise multisectoral coordination through national task forces, including ministries of agriculture, health, finance and environment, and private-sector representatives.
- Ensure compensation payments are processed promptly and efficiently to maintain trust and incentivise reporting.
- Incorporate incentives into compensation schemes for biosecurity compliance, preventive vaccination, and timely notification to promote responsible practices and cost reductions.
- Complement state-run compensation with private insurance or mutual fund models to distribute risk and reinforce system resilience.
- Continuously strengthen Veterinary Services using international standards, guidelines and tools (like the WOAHPVS Pathway) to guarantee skilled personnel, robust infrastructure, and modern diagnostic capabilities.
- Prioritise public communication and farmers education to build trust, support compliance, and engage all relevant actors in disease management.

At regional level the key recommendations are the following:

- Establish a Regional Emergency Compensation Support Mechanism: Create a regional fund or solidarity mechanism to ensure rapid financial support and harmonised compensation practices for example during cross-border outbreaks.
- Harmonise Regional Standards for Compensation and Stamping-Out Policies: Develop common regional guidelines for compensation rates, eligibility, and biosecurity measures to enable coherent and coordinated responses to transboundary diseases.

10. Conclusion

High-priority animal diseases threaten not only national livestock sectors, but also, regional and international trade, food safety, and communities. Animal disease control in the modern era requires a holistic, integrated, and equitable approach. As climate change and globalisation increase the frequency of disease outbreaks, the need for harmonised, adequately financed and socially acceptable control mechanisms become urgent. The COVID-19 pandemic has further highlighted the interconnection between animal health, and public health reinforcing the necessity of One Health-oriented approaches. Compensation systems that operate efficiently can serve as powerful tools for pandemic preparedness, ensuring that disease control actions are swift, coordinated, and equitable.

In conclusion, strengthening multisectoral cooperation is a strategic investment in resilience, equity, and trust, offering the most sustainable pathway towards effective disease control. By embracing the One Health framework and fostering partnerships across government, industry, and research, Members can design compensation policies that are fair, sustainable, and responsive to emerging crises.

Cyprus experience shows that, with robust legislation, transparent valuation and efficient implementation, compensation can serve as a cornerstone of effective disease eradication policies. The EU also shows the importance of well-structured and harmonised laws, clear governance mechanisms, and regional solidarity.

Alternative compensation models that integrate insurance, incentives, and biosecurity compliance will serve as essential tools for protecting and promoting both animal and the public.

WOAH is well-positioned to guide and support its Members in achieving this vision. It can promote legislation, facilitate regional harmonisation, and encourage the integration of compensation policies into One Health strategies. Through collaborative platforms, WOAHPVS can help Members to strengthen Veterinary Services, enhance transparency and commit fair compensation mechanisms. These efforts will improve disease control outcomes and safeguard global food security, animal welfare, and public health.

Ultimately, the success of stamping-out policies and alternative compensation mechanisms depends on shared commitment. Governments must allocate sufficient resources, stakeholders must act with integrity and cooperation, and international organisations must provide technical support for collective action. By reinforcing multisectoral cooperation and embracing innovative, inclusive compensation strategies, the global community can move closer to eradicating high-priority animal diseases and preventing future pandemic curves ensuring a safer, healthier, and more sustainable world for both animals and the people.

On a global scale, the WOAHA provide technical support through different tools such as the Performance of Veterinary Services (PVS) Pathway, which evaluates and improves national veterinary systems. Integration of these international frameworks enables national authorities to align policies, share best practices, and secure sustainable funding for disease control.

WOAHA and FAO through the GF-TADs mechanism highlights the importance of adequate funding, including resources for compensation where animals are killed to support disease eradication. Specifically, regional and global strategies developed with GF-TADs support may recommend compensation mechanisms as part of national or regional campaigns to maintain farmer cooperation and effective disease control¹¹.

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