

# Bangladesh Avian Influenza Compensation Strategy and Guidelines

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## Compensation Strategy

### 1.0 Introduction:

Compensation is fundamental to control strategies for highly infectious animal diseases including highly pathogenic avian influenza (HPAI), as it encourages the producer to report suspected disease outbreaks and comply with culling actions. In addition, from a legal perspective, it is the right of the citizen to receive compensation should their private assets be officially destroyed or confiscated. Compensation is thus a payment for a private asset officially destroyed for the public good.

Although other factors may influence, compensation is considered a supporting strategy to reduce the time lag between an outbreak and containment actions (such as culling). If applied accurately and swiftly, it may help containing escalating disease control cost, as well as may help diminishing the risk of human to human transmission of the virus.

Compensation schemes have been implemented for other diseases in livestock, including highly contagious animal diseases (trans-boundary animal diseases, TADs) and zoonotic diseases (disease transmissible from animal to humans)

### 2.0 Objectives of compensation:

The primary objective for establishing a compensation scheme is to promote rapid and effective disease control. To achieve these objectives, a scheme must operate efficiently and quickly and be well understood by those on whom its successful operation depends. It must fit into the context of the whole disease control/contingency plan.

**General Objective:** To increase effectiveness of disease control measures

#### Specific Objectives:

- a. Encourage disease reporting
- b. Discourage farmers to move or sell birds
- c. Provide an incentive for farmers/poultry owners to cooperate in the culling process
- d. Deciding who to compensate : all poultry and other bird owners
- e. Types of losses to be compensated: direct losses (i.e. cost of culled birds and eggs)
- f. Promoting awareness, communication of the existence of the compensation scheme, specifically stating the date and amount per bird of compensation to the farmer whose birds have been culled as per government order (GO) issued by the CVO.
- g. Organizing payment while promoting accountability and transparency within the implemented compensation scheme

### 3.0 Poultry production system:

The poultry husbandry system in Bangladesh is diversified and it is assumed that share of poultry production from backyard and commercial flock is equal There are Grand Parent and parent stock broiler and parent stock layer farms, and commercial layer and broiler farms. Almost all the rural holdings have poultry and it is important for their nutrition and food security. In the last two decades, over 0.1 million of small and medium scale poultry farms (ranging from 300- 5000 birds flock size) have developed across the country and they have a strong market link. The produced birds and eggs are mainly sold in urban centres and big village markets. Backyard poultry and poultry products are either consumed by the producers or collected by local traders for selling at urban centres. Small commercial farms are the main source of income for weaker section of the society which constitute about 40% of the population and are a tool for empowerment of women and gender equity. The micro credit NGOs provide credit mainly to women for poultry rearing and ownership of properties has some positive influence on empowerment and gender equity. Considerable number of big farms (flock size more than 5000 birds) have developed in

recent past. These farms are also important for employment generation, nutrition as well creating a link to the international market.

#### **4.0 Data base for poultry farms:**

For a successful and transparent operational strategy 6 monthly updated database of poultry population and poultry farms is essential. Ways to update the backyard poultry population have to be developed. Although the database for commercial farmers will be a one time count but it will provide useful estimates for compensation. The Upazila Multisectoral Coordination Committee will make a list of poultry population and poultry farms in the infected area with the help of Union Council ward member and Union Council Chairman.

#### **4.1 Promoting Awareness, Communications, and Capacity building:**

Public awareness strategy is another key element of successful compensation scheme. Usually farmers are reluctant to report the outbreak either because they do not understand the public health implications associated to HPAI or for fear of social and economic implications. The access to compensation scheme will stimulate the affected farmers to report as soon as they suspect diseases. Timeliness of payment is a crucial factor in ensuring a significant increase in culling percentages. Effective communication regarding compensation would include: expected date of compensation (not more than 1 month delay), amounts to be compensated, categories of birds that will be compensated and payment mechanism. A clear and easily understood hand outs or other form of communication will be made outlining the procedures for compensation scheme.

#### **5.0 Recipients of compensation:**

The beneficiaries in compensation schemes are the poultry owners or farmers who incur direct loss of their birds through official culling (i.e. by the official/authorized culling team)

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- The compensation process will start with the public announcement by the Government of the confirmation of the outbreak and declaration of the infected zone.
- The farmers will get compensation for the number of birds culled and eggs destroyed.

In the present context, it will not be possible for the Government to compensate people who have suffered through indirect loss.

#### **6.0 Compensation Rate:**

According to the National Avian Influenza and Pandemic Influenza Preparedness and Response Plan, fixation of compensation rates for officially culled birds fall under the terms of reference of Livestock Sector Technical Committee. Since all members of the committee are from the government sector it will be essential to develop the rate of compensation in consultation with the private sector and NGOs.

A subcommittee headed by the Director General, Department of Livestock Services and chairman of Livestock Sector Technical Committee (Annex-1) formed to determine the compensation unit rates for different categories of native, broiler, layer, ducks, quail, pigeons and game birds on the basis of market price following the guidelines fixed by the government from time to time. These prices will be published in Government Gazette.

Should any other type of birds require culling, the price of compensation will be appropriately determined by the Livestock Sector Technical Committee.

#### **7.0 Compensation mechanism:**

- With the declaration of infected area by CVO, DLS, the culling committee will execute the culling operation. A record of culled birds (Annex -2.a and b) prepared by the culling committee (original muster role) duly signed by District committee for compensation (Annex-3) will be sent to the CVO for compensation. A list will be maintained by Upazilla Livestock Officer as record.

- After receiving the allocation for compensation, the District committee for compensation will distribute the money to the recipients. The committee will prepare a muster roll (Annex-4.a and b) for payment and submit a photo-copy to the authority providing the compensation fund. A copy will be maintained by Upzila Livestock Officer (ULO), District Livestock Officer (DLO) and Project Head head-quarter in Dhaka.
- Culling team will provide receipts to each and every owner of culled birds in a prescribed form (Annex-6).
- The commercial farmers will be paid after satisfactory cleaning and disinfection of the premise where culling operation is carried out by the farmer and duly certified by the Veterinary Surgeon (Annex-5) of Veterinary Dispensary to the Upazila Livestock Officer of the respective Upazila. Upazila Livestock Officer will forward it to District committee for compensation as a clearance for payment of compensation.

## 8. Financial Controls and Accountability:

- **Operational plan** – The Project Director, Avian Influenza Preparedness Project, Department of Livestock Services/ or any other Government official assigned by Secretary, Ministry of Fisheries and Livestock, will be the budget holder and disburse the money to Deputy Commissioner and Chairman, District Committee of compensation for culled birds and eggs with a copy to the Chief Accounts Officer for Fisheries and Livestock, Dhaka, District Accounts Officer and District and Upazila Livestock Officer of the concerned district and Upazila. The farmers will be paid immediately after withdrawal of money and a muster role will be signed by all the members of the District Committee of compensation and the concerned poultry owner. Duplicate copies will be made for Upazila Nirbahi Officer and Upazila Livestock Officer of the concerned upazila. The same procedure will be followed in case of commercial farm with an additional certification for cleaning and disinfection by the veterinary surgeon.
- **Culling Certification:** Culling certificate will serve the purpose of evidence of culling. Certification will show ownership, date, location, category/number of birds culled, unit compensation rate. The copy (s) of certification will be signed by representative of Culling Supervision Committee, local public representative and farmer or poultry owner and will be retained by both parties. **Annex 6.**
- **Segregation of Roles and Responsibilities:** The responsibility for compensation fund administration would include (i) Chief Veterinary Officer (CVO), DLS approves the claim (ii) The Project Director, Avian Influenza Preparedness Project, Department of Livestock Services/ or any other Government official assigned by Secretary, Ministry of Fisheries and Livestock, releases funds to District committee of compensation (iii) Representative of District committee of compensation pay the compensation according to certification of concerned authority.
- **Payment Mechanism and Timeliness:** Payment may be made through (i) cheques and (ii) cash payment. In case of backyard poultry holders, cheques will be issued in favour of respective Upazila Nirbahi Officer (UNO). UNO will en-cash the cheque and pay the farmers/owners in cash (Annex 4.a). In case of commercial poultry owners/farmers payments will be made by checks. All payments will be ensured within 04 weeks of culling, preferably within 03 weeks.
- **Continuous Monitoring and Oversight:** Compensation schemes are generally susceptible to fraud, error and misuse. To provide fiduciary assurance that eligible poultry owners/farmers are paid in full and to reduce the risk of misuse, compensation fund should be subject to monitoring and oversight through periodic independent operational and financial reviews or audits.

Separate books of accounts should be maintained for compensation fund by concerned Deputy Commissioner (DC) supported by information shown in Annex 2 and 4. Simple financial statement should be prepared showing total disbursement by funding sources and the system should be able to provide information by location/villages or farmers/owners identification number. The compensation form shall have identification number to avoid collusion and duplicity.

The periodic or annual operational review will be carried out by govt. audit department and should focus among other (i) confirming validity and legitimacy of compensation payments made for a randomly selected sample of villages (ii) verification against databases maintained or checklist maintained by the concerned authority, (iii) collecting and verifying information available and obtained at the village level, (iv) checking forms and reports and so forth. In addition, as and when necessary, periodical financial review or audit will be carried out hiring independent private firm.

**9.0 Complaints Mechanism:** Establishment of a mechanism to handle complaints or grievances concerning Compensation Funds is necessary. At the local level, there should be a mechanism to handle complaints related to denial of access, non-payment, incorrect payment or lack of timeliness. Communication campaigning should make farmers aware of (i) who should receive the complaint (Upazila Multisectoral Coordination Committee – Upzilla Livestock Officer with a copy to the Secretary, the Ministry of Fisheries and Livestock) (ii) who will investigate (any designated official by the District /Upazila committee or DG, DLS /designated officer of the Ministry of Fisheries and Livestock) (iii) the time frame for receiving a response (maximum time limit 4 weeks).

#### **10.0 Supervision, monitoring and reporting**

- Upazila Multisectoral Coordination Committee will be responsible for monitoring the compensation process and maintaining transparency.
- District Multisectoral Coordination Committee will supervise the entire activity.
- Director General (DG), Department of Livestock Services will submit a monthly report on compensation to the Ministry of Fisheries and livestock.
- If compensation is made available from a donor fund, DG DLS may submit a report in an agreed format with donor or a copy of the report submitted to Ministry which deem suitable.

**Annex-1: Compensation Unit Rate Fixation Sub Committee**

1. Director General, Department of Livestock services
2. Director (Animal Health and Administration), Department of Livestock Services
3. Director (Production), Department of Livestock Services
4. Chief Scientific Officer, Livestock Economics Division, BLRI
5. Representative from Ministry of Fisheries and Livestock
6. Representative from Ministry of Finance
7. Representative from one NGO having poultry packages duly approved by the NGO affairs bureau
8. Representative from Egg Producers Association
9. Representative from Breeders Association
10. Representative from Poultry Industries Association
11. Livestock Economist, Department of Livestock Services
12. Project Director, Avian Influenza Preparedness and Response Project, DLS will act as the member secretary.



**Annex-3. District Committee for Compensation**

Deputy Commissioner	Chairman
District Livestock Officer	Member
Upazila Nirbahi Officer of respective Upazila	Member
Representative of law enforcing agencies of respective Upazila	Member
Local elected Public representative	Member
Representative of Poultry Association (if any)	Member
Upazila Livestock Officer, of respective Upazila	Member Secretary

**Annex -4 (a). Format of Muster Roll for compensation**

Sl No	Name & address of the farmer	No of Native chicken (+12 wks) (+12 wks)	Tk.	No of Layer (+12 wks) (+12 wks)	Tk.	No of Broiler (+2 wks) (+2 wks)	Tk.	No of Duck/Goose (+12 wks) (+12 wks)	Tk.	Native/Layer (2-12 wks) (2-12 wks)	Tk.	Chick /Ducklings	Tk.	Game bird	Tk.	Egg	Tk.	Signature of poultry owner
	<b>Signature of Representatives of Upazila Avian Influenza Management Committee-</b> <b>1.</b> <b>2.</b> <b>3....</b>																	

Annex-4 (b) Compensation Report Submission Form

Date:

Submitting Month :

Village	Type of Bird culled	Age	Unit Compensation Price ( as per Annex 3)	Total Compensation	Compensation incurred upto previous month		Cumulative cost
	Backyard poultry	(+ 12 weeks)					
	Layer	(+ 12 weeks)					
	Broiler	(+ 2 weeks)					
	Duck/Goose	(+ 12 weeks)					
	Backyard/ Layer	(2-12 wks)					
	Chicks/Duckling	All age group					
	Quail / Pigeon	All age group					
	Game Bird	All age group and type					
	Egg	Not applicable					
Total Cost							

Name of the reporting officer

Signature and Official Seal

Annex -5: Certificate for Decontamination

Date of Decontamination	No of Shed Decontaminated	No of Equipment decontaminated	Brief description of other area decontaminated	Disposal method and description of disposed material

Name and seal of certifying Veterinarian

Annex-6 Culling Certificate - Receipt of records of culled birds/eggs

Sl. No.

Date:

Name & Address	Type of Bird	Age	Nos.	Rate (Tk)	Remarks
	Backyard poultry	(+ 12 weeks)			
	Layer	(+ 12 weeks)			
	Broiler	(+ 02 weeks)			
	Backyard/Layer	(2- 12 weeks)			
	Duck/Goose	(+ 12 weeks)			
	Chicks/Duckling	All age group			
	Quail / Pigeon	All age group			
	Game Bird	All age group and type			
	Egg	Not applicable			
Other (Specify)					

Representative of the Culling Committee:

Signature:

Local Representative:

Name

Signature:

Poultry Owner/farmer:

Name

Signature