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**NOTE**

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From: General Secretariat of the Council  
To: Delegations  
Subject: International Financial Institutions and Animal Welfare  
*- Information from the Austrian delegation*

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Delegations will find in Annex an information note from the Austrian delegation on the above mentioned subject to be dealt with under "Any other business" at the meeting of the Council ("Agriculture and Fisheries") on 10-11 October 2016.

**International Financial Institutions and Animal Welfare**

International financial institutions (IFIs) play a key role in global cooperation. They are influential steering bodies that not only offer a combination of problem-solving competence and financing power but also serve as important international dialog forums.

However, where the IFIs' policies for investment capital grants as well as for granting export credit guarantees are concerned, animal protection aspects are currently given very little consideration, if any at all. As a result, public funds are provided for investments for farm animal operations in third countries that often use systems that are banned according to the European legislation on animal welfare and new animal husbandry facilities. Such an approach extends inadequate animal husbandry to years or even decades. These practices also have an impact on consumers and farmers in the European Union. Compulsory labelling that indicates the method of production only applies to shell eggs. In the case of any other animal products, including processed ones, it is not possible to distinguish how they were farmed. This undermining of applicable EU standards does not guarantee equal competitive conditions.

In the interests of animal welfare, sustainable development in European agriculture and the prevention of market distortion, all financial instruments must have the same binding standards regarding the husbandry and welfare of farm animals.

Despite positive signals from several IFIs over the past years concerning the definition of minimum standards for animal welfare in policies for investment capital grants, the development is still in its initial stages. It is now essential to continue to drive it forward. Discussions at EU level have to be intensified with a view to incorporate binding EU animal welfare standards or at least equivalent standards for farm animal husbandry and housing in the IFIs' policies for investment capital grants in order to make animal welfare standards a mandatory investment criterion.