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Dear Multilateral Development Banks

Joint MDB Assessment Framework for Paris Alignment for Direct Investment Operations

The undersigned organisations are writing further to our letter of 8 December in which we expressed our concern that the MDBs' draft includes 'non-ruminant livestock' in its list of *Activities Considered Universally Aligned with the Paris Agreement's Mitigation Goals*.

We are grateful to the Asian Development Bank (ADB), EIB, the World Bank, IFC and MIGA for their replies. We welcome the reassurance that this document is a working draft which is still receiving expert input. We recognise the ADB's point that in Asia (and elsewhere in the Global South) many smallholders rely on livestock rearing for a living. Our concerns are not focussed on smallholders (as long as they have good environmental and animal welfare standards), but on large industrial livestock operations.

To categorise a major part of the livestock sector as universally Paris-aligned is inconsistent with the many studies which stress that a substantial reduction in global livestock production is essential if we are to meet the Paris targets. Since our December letter to you, over 600 scientists have signed a [statement](#) on the need for food system transformation; this states that “Drastically reducing consumption of animal-source foods is a prerequisite for limiting global warming to well below 2°C”.

The IPCC report published on 4 April 2022 states that “mitigation of agricultural CH₄ and N₂O emissions is still constrained by ... increasing demand for livestock products”. It stresses that “diets high in plant protein and low in meat and dairy are associated with lower GHG emissions.” It adds: “Emerging food technologies such as cellular fermentation, cultured meat, [and] plant-based alternatives to animal-based food products can bring substantial reduction in direct GHG emissions from food production”. It is anomalous for MDBs to claim Paris-alignment for certain livestock when the IPCC itself is highlighting livestock as a core issue.

In our December letter we pointed out that substantial emissions arise from the production of cereals and soy as feed for pigs and poultry. Moreover, a report published in April 2022 by the U.S. Government’s Environmental Protection Agency (EPA) states that high methane emissions arise from large-scale confined pig farms that liquify their manure.¹ The EPA report states that methane emissions from pig manure increased by 44% between 1990 and 2010.

The dangers of MDBs’ support for industrial pig production are highlighted by the IFC’s recent funding of a major expansion of pig farming in Vietnam. IFC documents show that this expansion will result in a doubling of energy-related GHG emissions. It will lead to imports of soy from Brazil and Argentina which is likely to lead, directly or indirectly, to expansion of farmland into forests and other natural habitats. IFC’s website states that three farms being supported under IFC’s investment are located within forest locations, with one site overlapping with a location that includes 18 critically endangered species including civets, lorises, and pangolins.

In light of the new studies published during 2022, we urge the MDBs to rethink their classification of pigs and poultry as universally Paris aligned.

Climate action should work in harmony with other key policy objectives

The need to adopt an integrated approach that promotes the synergies between a wide range of issues is recognised by the MDB *Joint Nature Statement* published at the COP26 climate conference.

There are many reasons why MDBs should not finance industrial livestock production. With its crowded, stressful conditions industrial livestock production contributes to the ***emergence, spread and amplification of pathogens***, some of which are zoonotic.^{2 3 4} The last pandemic before Covid emerged from farm animals. This was the 2009 swine flu pandemic which started in Mexico, close to a major concentration of industrial pig farms. A recent study concluded that European pig farms – nearly all of which are industrial - host building blocks for pre-pandemic influenza viruses.⁵

A 2022 study states: “High-density livestock operations can serve as an opportune environment for spillover from wild animals into livestock or as incubators for pandemic influenza strains. Large pig and poultry farms are where the genetic reassortment needed to source pandemic influenza strains may most likely occur”.⁶

A report by IUCN in 2022 states that the: “global trend in large scale industrial production of pigs, poultry and farmed-wildlife species is coincident with pandemic emergence of highly pathogenic human or zoonotic influenzas, and coronaviruses”.⁷ It adds: “A certain way to

reduce risk of zoonosis and emerging infectious diseases globally ... is to reduce dependence on intensive animal-based food production systems”.

Industrial production routinely uses antibiotics to prevent the diseases that are inevitable when animals are kept in poor conditions. This leads to **antibiotic resistance** in animals which can then be transferred to people, so undermining the efficacy of antibiotics in human medicine.

77% of global soy is used as animal feed, mainly in the intensive pig and poultry sectors.⁸ Industrial production also uses 40% of global cereal production – wheat, corn, barley – to feed farm animals⁹; they convert this very inefficiently into meat and milk so **undermining food security**.^{10 11} If the cereals used as animal feed were instead used for direct human consumption an extra 3.5 billion people could be fed each year.¹²

Industrial livestock’s huge demand for grain has fuelled the intensification of crop production. This, with its monocultures and agro-chemicals, has led to soil **degradation**,^{13 14} **biodiversity loss**,^{15 16} **pollution and overuse of water**¹⁷ **and air pollution**¹⁸. The UNCCD states that livestock production is “perhaps the single largest driver of biodiversity loss”.¹⁹ The UN states that “Intensive livestock production is probably the largest sector-specific source of water pollution”.²⁰

Industrial animal agriculture **out-competes small-scale food producers**, thereby undermining their livelihoods. In 2018 the then Director-General of the FAO said that small-scale livestock farmers must not be “pushed aside by expanding large capital-intensive operations”.²¹ A 2020 report by the Inter-American Development Bank and the International Labour Organisation estimates that moving to plant-based diets with reduced animal-source food would not only provide health and environmental benefits but would create 15 million extra jobs in Latin America and the Caribbean.²²

The April 2022 IPCC report states that a shift to diets low in meat and dairy would not only lead to substantial decreases in GHG emissions but would also result in reduced land use and polluting nutrient losses, while at the same time providing health benefits and reducing mortality from diet-related non-communicable diseases.

We urge MDBs to stop funding industrial production and instead support sustainable agricultural practices like agroecology, agroforestry, organic farming, silvo-pastoral systems, low-intensive permanent grassland, and mixed crop and livestock systems. Such systems are prime examples of the nature-based solutions advocated by the MDB *Joint Nature Statement*.

Lack of resiliency

Our December letter highlighted the lack of climate resiliency in industrial livestock operations. Industrial meat and dairy and monoculture feed production undermine ecological and agricultural biodiversity that are essential for resiliency, a key tenet for being in universal alignment with the Paris Agreement.²³ Every aspect of factory farming is at risk from climate disruption: the quality of feed crop and forage, water availability, livestock diseases, animal reproduction, and biodiversity.²⁴ Centralized systems are particularly vulnerable to climate stress and generate large-scale losses when extreme weather hits. For example, hurricanes in North Carolina and floods in Iowa have killed thousands of hogs, millions of chickens and hundreds of thousands of egg-laying hens concentrated in industrial warehouses,²⁵ tragedies that might have been mitigated with more diversified and decentralized food production.

Industrial livestock’s vulnerability to market shocks has also been shown by the Ukraine war. Surging wheat and corn prices - two of the main ingredients in the feed of industrial livestock – are undermining the bottom line of industrial livestock operations and causing food prices to rise. Soaring fertiliser prices – which predate the war – are putting huge pressure not just

on arable farmers but on livestock producers too. In the developed world, a large proportion of fertilisers are used to grow feed crops; so escalating fertiliser prices result in rising animal feed prices.

In conclusion:

- We urge you to reconsider the classification of non-ruminant livestock and aquaculture as being universally aligned with the Paris Goals;
- We urge you to stop funding industrial livestock production and to instead support sustainable forms of animal and plant-based production;
- We would welcome the opportunity of having a meeting with you to discuss this issue.

Yours sincerely,

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Sinergia Animal, Merel van der Mark, Animal Welfare and Finance Manager
World Animal Protection International, Mark Dia - Global Programme Director, Farming
Aki Kachi, climate researcher, in his personal capacity



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