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# Written Submission on Asian Development Bank's (ADB) September 2023 Draft Environmental and Social Framework (ESF)

Submission from Compassion in World Farming Received on April 19, 2024

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## Comments by Compassion in World Farming on Asian Development Bank's draft Environmental and Social Framework

### Need to take account of upstream impacts of industrial livestock production in Environment and Social Standards 3 & 6

When considering animal agriculture, account must be taken not only of the impact of the animals but also of the implications of the production of feed for the animals. Large livestock farms can cause significant pollution of water and air in the area around and even at some distance from the farm. However, most of the environmental implications of livestock production stem from the upstream production of feed including soy and cereals such as wheat, corn/maize, barley and oats.

Industrial livestock's massive demand for feed has fuelled the intensification of crop production. This, with its use of monocultures and chemical fertilisers and pesticides, has led to overuse and pollution of ground- and surface-water,<sup>1</sup> soil degradation,<sup>2 3</sup> biodiversity loss,<sup>4</sup> and air pollution<sup>5</sup>.

Feed production is a major driver of environmental harm. Studies show that 98% of livestock's water footprint stems from feed production<sup>6</sup>, which is also responsible for 99% of broilers' and pigs' land use.<sup>7 8</sup>

In addition, 76% of global soy production is used as animal feed, mainly in the intensive pig and poultry sectors. Soy production is a major driver of deforestation.

The environmental impacts of feed production should be reflected in the new Environmental and Social Standards (ESS). Interestingly, EBRD is also currently revising its Environmental and Social Requirements (ESR). In paragraph 25 of its draft ESR 6 it states: "As part of the supply chain assessment process outlined in ESR 1, the client will identify and assess whether there are known risks of significant land use conversion that could impact biodiversity (such as deforestation) *in the project's core supply chain*." It defines the 'core supply chain' as "suppliers and sub-suppliers who provide goods, equipment or materials essential to the core functions of the project".

We urge ADB to include a similar reference to land use conversion in paragraph 34 of its ESS 6.

Similarly, we urge ADB to include in ESS 3 a requirement for clients to identify where there are risks of pollution that could impact water, air and soil quality in the project's core supply chain.

#### Industrial livestock production undermines food security

industrial animal agriculture undermines food security. Industrial livestock production is dependent on using human-edible cereals as feed; animals convert these cereals very inefficiently into meat and milk.<sup>9 10 11 12 13</sup>

Experts describe the use of cereals to feed animals as "staggeringly inefficient",<sup>14</sup> "colossally inefficient"<sup>15</sup> and "a very inefficient use of land to produce food".<sup>16</sup> The European Commission's Joint Research Centre has said that the "use of highly productive croplands to produce animal feedstuffs … represents a net drain on the world's potential food supply".<sup>17</sup>

The UN Food and Agriculture Organization warns that further use of cereals as animal feed could threaten food security by reducing the grain available for human consumption.<sup>18</sup>

UNEP's 2022 Emissions Gap Report states that "more efficient use of resource is essential to fight food insecurity and malnutrition ... Reducing the use of much of the world's grain production to feed animals and producing more food for direct human consumption can significantly contribute to this objective".<sup>19</sup>

#### These problems are recognised by the World Bank Group

The WBG Guide *Investing in Sustainable Livestock* states that feed production for intensive livestock systems is increasingly sourced from "high-input intensity grain and legume monocultures and supplied from international markets. This can result in remote impacts on natural resources in feed-exporting regions, as well as competition for resources between the production of livestock feed and human-edible food." The Guide adds: "In regions facing resilience challenges, this can result in the allocation of scarce biomass resources to the production of livestock feed instead of directly human-edible food".

In light of the significant harm to the environment and food security arising from industrial livestock production, we urge ADB to consider whether it should be funding this form of animal agriculture.

#### ESS 9: Climate change

ESS 9's objectives include minimising the absolute and relative GHG emissions attributable to a project. In the case of livestock ESS 9 needs to be expanded to consider the emissions that will result from the increased production of feed that will be generated by the project. Feed production is responsible for:

- over three quarters of broilers' GHG emissions
- around two thirds of pigs' GHG emissions.<sup>20</sup>

Livestock produce much larger emissions than plant-based food. Xu *et al* (2021) report that 57% of the GHG emissions caused by food production arise from the production of animal-based food (including livestock feed), 29% from plant-based foods and 14% from other utilisations.<sup>21</sup> Despite producing 57% of food production's GHG emissions, livestock only provide 37% of global protein and 18% of global calories.<sup>22</sup>

Some banks highlight attempts by projects that they fund to lower GHG intensity per unit of meat produced. While this is important, it will not lower the overall volume of GHG emissions produced by the livestock sector if the overall global production of meat and milk substantially increases. In this circumstance, GHG emissions from the global livestock sector will increase despite the lowering of GHG intensity in a particular project.

Studies stress that it will be very difficult, perhaps impossible to meet the Paris targets without a substantial reduction in global production.<sup>23 24</sup> Harwatt *et al* (2024) identified a potential Pariscompliant emissions trajectory for the livestock sector by surveying over 200 climate scientists and sustainable food/agriculture experts.<sup>25</sup> The survey indicates that:

- There are no credible pathways to meeting the Paris Agreement that allow the livestock sector to continue current trends
- Global emissions from the livestock sector should peak by 2025. Emissions should then drop rapidly, by 50% by 2030 and 61% by 2036
- The most effective options for reducing emissions are through reduced production and consumption of livestock products.

In light of the above studies, ADB (and other MDBs) should be extremely cautious about funding new livestock operations as it is recognised that all sectors must lower their emissions if we are to meet the Paris targets.

#### ESS 6: Animal welfare

Paragraph 37 of ESS 6 states: "Where a project involves industrial livestock activities, the borrower/client will apply appropriate GIP for animal welfare and livestock operations."

We urge ADB to specify which Good International Practice should be applied. Possible GIPs on animal welfare include:

 The <u>International Finance Corporation's Good Practice Note (GPN) on *Improving Animal* <u>Welfare in Livestock Operations.<sup>26</sup></u> This is good on principles but lacks detail. The GPN very helpfully sets out key animal welfare risks and mitigation strategies for addressing them. These are shown in the below table.
</u>

| Welfare risk identified by IFC GPN           | Mitigation strategy identified by the GPN     |
|--|---|
| Limitations on space in individual stalls    | Increasing the space allowance for each       |
| restricting the movement of animals          | animal (e.g. individual to group housing)     |
| High stocking densities in groups increasing | Stocking densities should be low enough to    |
| the potential for disease transmission       | prevent excessive temperatures & stress       |
| Barren/unchanging environments leading to    | Providing environmental enrichment e.g.,      |
| behavioural problems                         | straw for pigs to manipulate                  |
| Feeding diets that do not satisfy hunger     | Adding bulk to high energy diets to help      |
|  | satisfy appetite                              |
| Injurious husbandry procedures that cause    | Use alternatives to practices that cause pain |
| pain   | e.g., castration, tail docking, beak trimming |
| Breeding for production traits that heighten | Re-align production-orientated genetic        |
| anatomical or metabolic disorders            | selection to include welfare traits           |

#### Table: Key welfare risks and mitigation strategies identified by the IFC GPN

- 2. The recommendations on animal welfare of the World Organisation for Animal Health (WOAH).<sup>27</sup> These are quite helpful on pigs and also on the transport and slaughter of animals. They are of some value on dairy cows, but unhelpful on broiler chickens. WOAH has also produced recommendations on the welfare of farmed fish during transport and slaughter.<sup>28</sup>
- 3. The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.<sup>29</sup> Paragraph 85 of the Guidelines provides:

"Enterprises should respect animal welfare standards that are aligned with the World Organisation for Animal Health (WOAH) Terrestrial Code. An animal experiences good welfare if the animal is healthy, comfortable, well nourished, safe, is not suffering from unpleasant states such as pain, fear and distress, and is able to express behaviours that are important for its physical and mental state. Good animal welfare requires disease prevention and appropriate veterinary care, shelter, management and nutrition, a stimulating and safe environment, humane handling and humane slaughter or killing."

The following three phrases in the OECD Guidelines indicate that MDBs should no longer provide funding for intensive livestock production as such systems cannot meet the standards set out in these phrases:

- An animal experiences good welfare if it... "*is not suffering from unpleasant states such as pain, fear and distress".*
- An animal experiences good welfare if it... "*is able to express behaviours that are important for its physical and mental state*".
- "Good animal welfare requires ... a stimulating environment".

We urge ADB to mirror IFC's exclusion list on animal welfare

We urge ADB to add the following to its *Prohibited Investment Activities List*. All these are included in the IFC document *IFC Practices for Sustainable Investment in Private Sector Livestock Operations*:<sup>30</sup>

- Non-enriched battery cages for chickens\*
- Individual sow stall housing 30 days after conception\*\*
- Tethering of sows
- Individual pen housing for calves beyond the age of 8 weeks
- Force-feeding of geese or ducks
- Keeping of animals exclusively for fur or leather production.

\* Enriched cages are not included in the exclusion list but are likely to become stranded assets. Many retailers in the EU and US are committed to phasing out the sale of cage eggs including those from enriched cages. The need to move away from enriched cages is increasingly recognised. For example, in February 2023 the European Food Safety Authority (EFSA) published a detailed Scientific Opinion that concludes that hens should not be housed in any cages including enriched cages.<sup>31</sup>

\*\* The IFC document permits the use of sow stalls (also known as 'gestation crates') for the first 30 days after conception. This is similar to EU law which permits the use of stalls for the first 28 days after conception. This exception to the ban on sow stalls is out of date. The exception was granted due to concerns that earlier grouping of sows could have an adverse impact on reproductive performance. However a new report by EFSA, based on a comprehensive review of scientific studies, has concluded that "Farrowing rate [i.e. reproductive performance] following grouping of sows at weaning is comparable to housing in stalls for the duration of pregnancy".<sup>32</sup> EFSA recommends that "sows should be grouped at the time of weaning" of the previous litter i.e. there should not be an exception that allows the use of sow stalls during the first 28/30 days of pregnancy.

#### April 2024

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<sup>&</sup>lt;sup>2</sup> Edmondson *et al*, 2014. Urban cultivation in allotments maintains soil qualities adversely affected by conventional agriculture. Journal of Applied Ecology 2014, 51, 880–889

<sup>&</sup>lt;sup>3</sup> Tsiafouli *et al.*, 2015. Intensive agriculture reduces soil biodiversity across Europe. *Global Change Biology*: 21, p973–985

<sup>&</sup>lt;sup>4</sup> World Health Organization and Secretariat of the Convention on Biological Diversity. 2015. Connecting global priorities: biodiversity and human health

<sup>5</sup> Lelieveld *et al*, 2015. The contribution of outdoor air pollution sources to premature mortality on a global scale. Nature, Vol 525

<sup>6</sup> Hoekstra, A.J., 2020. The water footprint of modern consumer society. Routledge

https://www.routledge.com/The-Water-Footprint-of-Modern-Consumer-Society/Hoekstra/p/book/9781138354784

<sup>7</sup> Bos *et al*, 2023. Environmental impact and economy of broiler chicken production. Wageningen Livestock esearch, 2023 <u>https://edepot.wur.nl/629412</u>

<sup>8</sup> Zu Ermgassen E *et al*, 2016. Reducing the land use of EU pork production: where there's swill, there's a way. Food Policy 58 (2016) 35–48

<sup>9</sup> Cassidy E.M *et al*, 2013. Redefining agricultural yields: from tonnes to people nourished per hectare. University of Minnesota. Environ. Res. Lett. 8 (2013) 034015

<sup>10</sup> Lundqvist, J, de Fraiture, C and Molden, D, 2008. Saving Water: From Field to Fork – Curbing Losses and Wastage in the Food Chain. SIWI Policy Brief. SIWI.

http://www.siwi.org/documents/Resources/Policy\_Briefs/PB\_From\_Filed\_to\_Fork\_2008.pdf

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<sup>12</sup> Berners-Lee M, Watson R, Kennelly C and Hewitt CN, 2018. Current global food production is sufficient to meet human nutritional needs in 2050 provided there is radical societal adaptation (2018). Elem Sci Anth, 6: 52 <sup>13</sup> Citibank, 2018. Feeding the future

<sup>14</sup> Bailey R et al, 2014. Livestock – Climate Change's Forgotten Sector. Chatham House.

<sup>15</sup> IEED briefing, March 2015. Sustainable Intensification revisited. http://pubs.iied.org/17283IIED.html

<sup>16</sup> Bajželj B. *Et* al, 2014. Importance of food-demand management for climate mitigation. Nature Climate Change http://www.nature.com/doifinder/10.1038/nclimate2353

<sup>17</sup> European Commission Joint Research Centre, 2018. Atlas of Desertification

<sup>18</sup> FAO, 2013. Tackling climate change through livestock

<sup>19</sup> UNEP, 2022. The closing window: Emissions Gap Report 2022

<sup>20</sup> Blonk Consultants, 2022. Environmental implications of alternative pork and broiler production systems in the US, China, Brazil and the EU

<sup>21</sup> Xu *et al*, 2021. Global greenhouse gas emissions from animal-based foods are twice those of plant-based foods. Nature Food. Vol 2, pp 724-732

<sup>22</sup> Poore & Nemecek, 2018. Reducing food's environmental impacts through producers and consumers. Science 360, 987–992

<sup>23</sup> Clark *et al*, 2020. Global food system emissions could preclude achieving the 1.5° and 2°C climate change targets. Science 370, 705–708

<sup>24</sup> Springmann M., Godfray H.C., Rayner M. & Scarborough P. (2016), *Analysis and valuation of the health and climate change cobenefits of dietary change.* PNAS vol. 113 no. 15: 4146–4151

<sup>25</sup> Harwatt *et al*, 2024. Options for a Paris-compliant livestock sector. Timeframes, targets and trajectories for livestock sector emissions from a survey of climate scientists. Research report, Brooks McCormick Jr. Animal Law & Policy Program, Harvard Law School. March 2024. <u>https://animal.law.harvard.edu/wpcontent/uploads/Paris-compliant-livestock-report.pdf</u>

<sup>26</sup> https://www.ifc.org/en/insights-reports/2014/publications-gpn-animalwelfare-2014

<sup>27</sup> https://www.woah.org/en/what-we-do/standards/codes-and-manuals/terrestrial-code-onlineaccess/?id=169&L=1&htmfile=titre\_1.7.htm

<sup>28</sup> https://www.woah.org/en/what-we-do/standards/codes-and-manuals/aquatic-code-onlineaccess/?id=169&L=1&htmfile=titre\_1.7.htm

<sup>29</sup> https://www.oecd.org/publications/oecd-guidelines-for-multinational-enterprises-on-responsiblebusiness-conduct-81f92357-en.htm

<sup>30</sup> https://www.ifc.org/en/what-we-do/sector-expertise/agribusiness-forestry/supporting-

sustainability/ifc-practices-for-sustainable-investment-in-private-sector-livestock-operations

<sup>31</sup> https://efsa.onlinelibrary.wiley.com/doi/epdf/10.2903/j.efsa.2023.7789

<sup>32</sup> https://efsa.onlinelibrary.wiley.com/doi/epdf/10.2903/j.efsa.2022.7421